UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1995/29
12 April 1995

ORIGINAL: ENGLISH

Annual session 1995
5-16 June 1995, New York
Item 4 of the provisional agenda

UNDP/UNFPA: HARMONIZATION OF PRESENTATION OF BUDGETS AND ACCOUNTS

Report of the Administrator of the United Nations Development Programme and of the Executive Director of the United Nations Population Fund

I. PURPOSE

1. In October 1994, the Executive Board of the United Nations Development Programme (UNDP) and of the United Nations Population Fund (UNFPA) adopted decision 94/30, in which it requested the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Population Fund, in the context of the observations made at the current session with regard to the format of budget and account presentations, to cooperate with other United Nations programmes and funds to work towards harmonizing their presentation of budgets and accounts with a view to achieving common definitions, particularly of administrative costs, and obtaining a higher degree of financial transparency and comparability, and to report thereon to the Executive Board at its third regular session in 1995. A similar decision was adopted by the Executive Board of the United Nations Children's Fund (UNICEF).

2. The present status is as follows.

II. HARMONIZATION OF FINANCIAL STATEMENTS

3. Following General Assembly decision 47/449 of 22 December 1992 and General Assembly resolution 48/216, part C, of 23 December 1993, the Administrative Committee on Coordination (ACC), via its Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ (FB)), set up the Working Party on Financial Statements. This built on the work of the previous CCAQ (FB) Working Party, which had developed the United Nations system accounting standards presented to the General Assembly at its forty-eighth session. It had always been recognized that the adoption of those accounting standards would not of itself necessarily lead to greater uniformity in the presentation of financial reports and statements of organizations and that the logical next step would be the formation of a working party on financial statements.

4. This new Working Party, with full participation of senior financial officials of UNDP, UNFPA and UNICEF, held its first meeting in Geneva in June 1994 and a second meeting in New York in December 1994. Following this second meeting, there was an informal meeting with members of the Technical Group of the Panel of External Auditors, who expressed their satisfaction at the progress made.

5. The report of the second meeting of the Working Party (ACC/1995/FB/R.5) was submitted to CCAQ (FB) for consideration in February 1995. CCAQ (FB) approved the proposed programme of work for a third meeting of the Working Party, to be held in Geneva in June 1995. It is expected that the Working Party will be able to finish its work at that session and then discuss its recommendations informally with the Technical Group of the Panel of External Auditors during July. Thereafter, CCAQ (FB) will consider the final report of the Working Party at its session in late August 1995. This will give time for the finalization of statement formats and instructions and any revisions to the Accounting Standards in time for reporting to the General Assembly, as planned, in 1996.

III. HARMONIZATION OF PRESENTATION OF BIENNIAL BUDGETS

6. As a follow-up to Executive Board decision 94/30, UNDP, UNFPA and UNICEF initiated consultations on the matter of harmonization of the presentation of biennial budgets. On behalf of the three agencies, a consultant was engaged to study the existing budget presentations of the respective agencies and to identify differences that exist and their general nature, i.e., whether they are a matter of format or of more fundamental and conceptual nature.

7. At the time of preparing the present progress report, the first part of the study had just been completed and circulated in draft to the agencies for review and subsequent discussion. After a joint review, the next step will be determined. In this connection, it is important to note that the recently completed management study of UNICEF deals extensively with budgetary matters specific to UNICEF, in particular recommendations to integrate programme and administrative budgets for country offices and to develop a more analytical budgeting process. The findings of that management study will affect the manner in which the joint UNDP/UNFPA/UNICEF study can progress.

8. Given the time frame, it is not expected that the final findings and conclusions of the joint review will have a material impact on the presentation of the respective budget proposals for the 1996-1997 biennium. Considerable work still needs to be done and will include close consultation with the respective Executive Boards and the Advisory Committee on Administrative and Budgetary Questions. The Boards will be kept informed through regular progress reports.

IV. EXECUTIVE BOARD ACTION

9. The Executive Board may wish to:

Take note of the present report.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1995/30
26 April 1995

ORIGINAL: ENGLISH

Annual session 1995
5-16 June 1995, New York
Item 6 of the provisional agenda
UNDP

ANNUAL REPORT OF THE ADMINISTRATOR 1994

INTRODUCTION BY THE ADMINISTRATOR

I. OVERVIEW OF 1994

A. Changing international relations: broader participation and global compacts

1. It became more apparent than ever during 1994 that development is a complex and multidimensional process. Concentration on any one aspect alone will not achieve the desired result. Sustainable human development - a concept introduced by UNDP in 1993 - must advance on the interlinked fronts that now form the driving forces of UNDP operations.

2. The international community, collectively and individually, is becoming more acutely aware of the essentials of this approach to development. The principal formal event of 1994 was doubtless the International Conference on Population and Development. The Conference was particularly notable for the wide participation of representatives of civil society. This continued a trend started at the United Nations Conference on Environment and Development - a trend that grew at the World Summit on Social Development this year and will be further strengthened at the Fourth World Conference on Women.

3. The agreements that the international community reaches in its global conferences constitute a far-reaching series of compacts for the future of the world and its people. The United Nations has an obligation to the peoples of the world and to itself to remind nations of their commitments, to support global, regional, national and local efforts towards the attainment of shared goals, and to organize itself accordingly.

4. As the United Nations approaches the fiftieth anniversary of its establishment, there is much talk of reform to ensure that the Organization reflects the realities of the present and the discernable challenges of the future. Wars between major powers and colonialism - the dominant concerns of the early years of the United Nations - have given way to concern for the distribution of economic power, access to the natural resources of the planet, the application of human rights, ethnic strife and the persistence of poverty. The distinction between people and government, always at the heart of the Charter, is being re-emphasized. The effectiveness and relevance of the diverse entities, known collectively as the United Nations system, together with the appropriateness of their governance and the linkages between them, are under ongoing scrutiny.

5. It is against this background of change in international relations, search for a new world order, and profound review of the purpose, functions and structure of the United Nations that UNDP has to be viewed and in which it has to carry out its mandate for sustainable human development, endorsed by the Executive Board in its decision 94/14 adopted at the annual session in 1994.

B. The UNDP response and focus

6. At its fortieth session, the Governing Council invited the new Administrator to share with it his views on the future directions the organization should take. Consequently, after consultation both within and outside the organization, the Administrator personally presented to the Executive Board in February 1994, his "Agenda for change" - his vision for the future role and principal goals of UNDP. In March, a meeting of all UNDP senior staff members was convened in Rye, United States of America, primarily to ensure a common understanding of the "Agenda for change" and to draw up a plan for its operationalization. On this basis, the Administrator submitted a report entitled "Initiatives for change" (DP/1994/39) to the Board in June 1994.

7. In its decision 94/14, the Executive Board commended the Administrator on his report and agreed "that the overall mission of UNDP should be to assist programme countries in their endeavour to realize sustainable human development, in line with their national development programmes and priorities". It went on to encourage "the Administrator to continue his efforts to focus the programme of UNDP by operationalizing the three goals and four priority areas outlined in the report (DP/1994/39), taking into account the views expressed at the 1994 annual session and the ongoing discussions on the successor arrangements to the fifth programming cycle". In so doing, the Board emphasized "that national priorities shall be the primary determinant of UNDP-supported programmes, which must remain country-driven".

8. In document DP/1995/31, the Administrator reports, as requested by the Executive Board, on his progress in moving the agenda of UNDP forward.

C. Broadening the concept of development activities

9. An overview of the work of UNDP in 1994 is given in the main programme record (DP/1995/30/Add.1). UNDP activities reflect the diversity of the mandates accorded to the organization as well as to other funds and programmes under the responsibility of the Administrator. The activities undertaken also reflect the evolving appreciation of what constitutes sustainable human development. Until a few years ago, development was interpreted essentially in narrow socio-economic terms. Increasingly, the importance of popular participation in and sound governance of the development process has been recognized and supported.

10. Part of the general mandate of UNDP is support to broad participation in development. Many UNDP-supported programmes and projects are bringing participation and empowerment to poor people. For example, in Sri Lanka, an integrated rural development programme has mobilized over 700 community groups and helped them to secure access to services and resources. Simultaneously, grass-roots development activity is under expansion in over 100 villages, a non-governmental organization (NGO) consultative committee has been set up, and a network for rural savings and credit established. This UNDP-supported initiative has shown the way for improved interaction between governmental and non-governmental institutions.

11. In Sudan, the five area development schemes (ADS), launched several years ago with major support from UNDP, have brought participation and empowerment to thousands of poor people, especially women, and are regarded as a model for other parts of the country as well as for other countries. As in Sri Lanka, credit is a major component of the programme.

12. UNDP took several specific initiatives in 1994 to promote greater participation by the potential actors and beneficiaries of development.

13. The Conference on Peace and Development, held in Honduras in October 1994, represented the climax of a sustained effort by the countries of the region, supported throughout by UNDP, to build consensus on the issues of peace and democratization in Central America. The Conference brought together representatives of Governments, the private sector, cooperatives, trade unions, indigenous communities, universities, regional organizations and the donor community. As one result, the dialogue with civil society has been institutionalized.

14. A major step towards empowerment is the holding of free and fair elections based on universal suffrage. Collaborating closely with the Electoral Assistance Division of the United Nations, UNDP has responded to an increasing number of requests relating to the introduction or enhancement of the electoral process: in Africa - Chad, Ethiopia, Mozambique, Togo and Uganda; in Latin America - Brazil. United Nations Volunteers (UNV) specialists were associated with several of these events, notably as electoral observers and facilitators in Mozambique and South Africa.

15. Other UNDP-supported initiatives have aimed to ensure access to due process and acquired rights. For instance, an International Ombudsman Workshop was held

in Russia as part of the Democracy, Governance and Participation (DGP) programme for the States of Eastern Europe and the former Soviet Union. In Ecuador, the second phase of a humanitarian training programme for armed forces covered issues of human rights.

16. In all the above examples, UNDP was responding to requests from the countries concerned. In areas as sensitive as these, the United Nations has a clear comparative advantage as a partner: the requesting countries are themselves members of the organization and party to its mandates. Within the United Nations system, UNDP has a mandate allowing flexibility of response and an extensive network of country offices staffed by persons with knowledge and experience of the countries as well as access to global expertise.

D. Governance

17. The need for public sector - including civil service - reform in many countries has long been apparent. It has become acute in those countries in transition from centrally planned to market-led economies. Attention has focused in recent years on Eastern Europe and the former Soviet Union, but the challenge extends to several Asian and African countries undergoing a similar transition. In Viet Nam, UNDP is helping with reform of the legal, financial and monetary systems, with particular emphasis on social adjustment concerns. It has been assigned the main responsibility for support to the Government in the coordination and management of external cooperation resources. Similar activities are under way in every continent, from the privatization programme in Peru, to the administration and fiscal reforms in Lebanon and civil service reform in Zambia.

18. A major study of capacity development, commissioned by UNDP, was completed in 1994. Its principal finding, closely corroborated by an analysis by UNDP of its own experience, was that the major obstacles to capacity development in many countries lie, not in the area of capacity- or institution-building, but in the effective networking utilization and retention of capacity that already exists. Too often the potential of capacity is not realized because the enabling environment is inimical. Incentives and other motivations are lacking, salary structures and other features of labour markets are rigid, preventing the appropriate rewards flowing to productivity and merit.

19. The conclusion of this recent analysis underscores the crucial importance of governance: responsiveness and accountability to the people and an effective, efficient public sector, providing an enabling environment in which the talents and capacity of individuals can find their expression and their just reward in the larger society. For development to meet its goals, capacity-building alone - while necessary - is insufficient: capacity utilization and retention must receive attention if the vast resources invested in human and institutional capital are to yield the desired results. Concern for governance is thus part of concern for sustainability in development.

E. Human Development Report

20. The Human Development Report (HDR) for 1994 focused on human security. The success of this series has led to demand from several countries for assistance in the preparation of national HDRs, particularly in Africa, Asia and the Pacific and in the countries of Eastern Europe and the Commonwealth of Independent States. In the latter, more than 20 such reports were under preparation.

21. In Egypt, UNDP supported the National Human Development Report and Strategy covering all 26 governorates. The subsequent meeting of governors, reallocation of budgets in favour of the poorest regions, and extension of follow-up actions at the grass-roots level are important contributions to the future development of the country. Ten other countries in the Arab States region have expressed interest in national HDRs and the Egyptian experience will be made available to them through a UNDP-funded workshop.

22. In the Asia and Pacific region, HDRs were completed for Bangladesh, the Philippines and the Pacific Islands. The latter led to the adoption of the "Suva Declaration on Sustainable Human Development" by the Ministerial Meeting of the Pacific Forum countries in August. Several reports are under preparation in other parts of the world. They are bringing a new perspective to development plans and programmes in the countries covered. The National Long-term Perspective Studies programme in Africa is active in 11 countries. Such studies also address human development and sustainability concerns; they complement the ongoing work on the national HDRs.

23. Similarly, some countries are inviting UNDP to share in their efforts to work towards SHD at the policy level. At the request of the President of Bolivia, UNDP organized and participated in a senior-level seminar to operationalize SHD in national policies, plans and budgets. In the Maldives, a UNDP-supported study entitled "Sustainable Human Development in the Maldives: a Situation Analysis" has perceptibly influenced the development debate in that country.

F. Disasters and disturbances: development and opportunity

24. The post-Cold War years have been marked by a succession of incidents of internal, often ethnic, strife in various countries. The costs, direct and indirect, of such upheavals combined with the cost of relief to the affected populations have exceeded manifold the cost of development activities in those countries. Resources for development cooperation have been diverted to relief efforts: medium- and long-term objectives have been subordinated to immediate needs. All strife cannot be laid at the door of poverty and underdevelopment: ethnic and religious differences have led to hostilities even in middle-income countries. It is none the less true that poverty and the competition for limited natural resources have often contributed to serious tension while a future without hope does nothing to inspire the search for peaceful solutions. There is a strong case for support to equitable development in order to avoid much greater support subsequently to relief efforts. This concept has come to

be known as "preventive development". An equally strong case can be made for support to measures for disaster prevention and preparedness.

25. While UNDP has SHD as its main goal, it has found itself increasingly involved in disaster situations. This is because of its extensive country presence and, sadly, because of the increased incidence of such situations. With few exceptions, the resident representative is also the resident coordinator. As recently reconfirmed in General Assembly resolution 48/209, the resident coordinator organizes and coordinates, in collaboration with other agencies in the country, international assistance. To the extent possible, the attempt is made to pursue cooperative efforts for development even in disturbed conditions. In some cases, this attempt has to be suspended, as was the case in 1994, for example, in Liberia, Rwanda and large tracts of Afghanistan and Somalia. In those instances of complex emergency, a humanitarian coordinator is named to coordinate humanitarian assistance, reporting to the Secretary-General through the Under-Secretary-General, Department of Humanitarian Affairs (DHA).

26. In other cases, as a disturbed situation improves, development cooperation resumes and the resident coordinator/resident representative function with it. The year 1994 witnessed such improvement in Cambodia, Central America and Mozambique with the situation in Angola and Haiti showing promise. UNDP has been faced with new challenges in several countries such as helping with de-mining and the reintegration of demobilized soldiers into civil society.

27. Improved political conditions permitted a notable change in UNDP ability to cooperate in Gaza and Jericho, and in South Africa.

28. The Programme of Assistance to the Palestinian People (PAPP) began in the West Bank and the Gaza Strip in 1980. It has grown steadily from $0.5 million to $25 million in 1994, attracting resources from other donors. Resources doubled from 1993 to 1994 following the Declaration of Principles signed by the Palestine Liberation Organization and the Government of Israel in September 1993. The Declaration opened new horizons for Palestinians and created new economic and social opportunities. UNDP is well positioned to continue its role as a broker between the Palestinians and the donor community.

29. The South African Government and UNDP concluded negotiations on the Basic Standard Agreement in October 1994 during the visit of President Mandela to the General Assembly. Earlier in July, UNDP had led a Joint Consultative Group on Policy (JCGP) fact-finding cum familiarization mission to South Africa, which identified, within the context of the country's Reconstruction and Rehabilitation Programme (RDP), a number of areas for possible collaborative support by the United Nations development system, including: capacity development in policy formulation and development planning, issues of gender in development, employment generation, environment protection and regeneration, population policy and programmes, basic education and land reform. These themes and sectors will be explored further during the preparation of the nation's country strategy note, together with the outcome of the International Donors Conference on Human Resources Development in the Reconstruction and Development Programme, held in Cape Town in October 1994, and for which UNDP played a key substantive and facilitative role.

30. It should be emphasized that, as a relatively new country to development cooperation, South Africa presents an unusual opportunity for the United Nations development system to function as a "system", as envisaged in the various provisions of resolution 47/199, i.e., in terms of the preparation of a country strategy note, the harmonization of programming cycles around the RDP, the creation of common premises and services, etc.

G. Gender in development

31. In the course of 1994, UNDP supported various initiatives in preparation for the Fourth World Conference on Women to be held in China in September 1995. The support was provided at the national level through the resident coordinator system and at regional levels, and included the preparation of national reports for the Conference and the facilitation of dialogue on the status of women between government, United Nations and civil society organizations. Particular attention was also given to concerns of women in situations of conflict and of transition, especially in Africa, Eastern European countries and Palestine. These efforts significantly increased the general knowledge and appreciation of the role and status of women in development.

32. In future programming, UNDP will seek to integrate the broader concept of gender in the programming process, focusing on six thematic areas for the integration of gender policy issues into governance and poverty elimination, women in crisis situations, environment, legislative frameworks and statistics and data analysis.

33. UNDP commitment to organizational gender equity was underscored by its endorsement of a policy paper on gender balance for management. Specific targets have been established to attain greater gender balance for senior management and to improve the career prospects of General Service Staff, who are predominantly female. Additionally, UNDP training programmes will include gender perspectives, and the gender disaggregated statistics programme with the JCGP will yield an important statistical base, as will the forthcoming Human Development Report 1995, which will focus on gender-in-development issues.

H. Environment

34. In August 1994, the Bureau for Policy and Programme Support (BPPS) was restructured to encompass a directorate and a number of divisions, including the Sustainable Energy and Environment Division (SEED). SEED comprises the Office to Combat Desertification and Drought (UNSO), the Energy and Atmosphere Programme (EAP), the Global Environment Facility (GEF) and Capacity 21, and was established to support UNDP efforts to incorporate environmental concerns at the earliest possible stages of economic decision-making and promote the full implementation of Agenda 21 and other UNCED agreements.

35. Office to Combat Desertification and Drought (UNSO). In addition to supporting the negotiation of the Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, UNSO continued to assist the 23 Sudano-Sahelian countries in:

environmental information systems; drought preparedness and mitigation; strategic framework processes and local-level resource management.

36. Environment and Atmosphere Programme (EAP). As a new programme, the main strategic activity of EAP to date has been the drafting of UNDP's Initiative for Sustainable Energy (UNISE), whose purpose is to support programme countries in accelerating sustainable energy programmes and to provide for greater access to improved energy technology. With respect to project activities, the main thrust was in developing a number of environmentally sound renewable energy and energy efficiency programmes on a co-financing basis with bilateral and multilateral donors. UNDP is assisting 31 countries in their efforts to phase out ozone-depleting substances (ODS) under the Montreal Protocol on the protection of the global ozone layer. UNDP cooperation helped Governments and industry design, implement, monitor and evaluate ODS phase-out projects and programmes in the following sectors: aerosols, foams, solvents, refrigeration and halon in fire extinguishers. It is estimated that this cooperation will eliminate some 8,500 tonnes of ODS by end 1996.

37. Global Environment Facility (GEF). UNDP's work in the GEF focuses on four thematic areas: mitigating climate change, conserving biodiversity, and protecting both international waters and the ozone layer (and land degradation as it pertains to these). As of December 1994, UNDP's GEF pilot phase portfolio consisted of 55 technical cooperation projects and 28 pre-investment feasibility studies which address these themes. Including the $13 million allocated to the 33-country Small Grants Programme, UNDP's pilot phase allocation totalled $278 million.

38. Capacity 21. Capacity 21 constitutes the main post-UNCED international effort to implement Agenda 21 by promoting new approaches to development; ownership of programmes by all stakeholders; responsiveness to national priorities; consensus-building within countries, and participation of all partners, including United Nations specialized agencies and contributors. During 1994, its first full year of operation, Capacity 21 developed the processes and procedures needed to help UNDP country offices in their task of supporting the development of national approaches to sustainable development and at the end of the year there was a solid portfolio of national programmes in all regions. The SDNP, which is fully integrated into other Capacity 21 initiatives, is supporting activities in 16 countries. By the end of 1994, the Environmental Management Guidelines Training Workshop, a major capacity-building initiative, had been held in 107 countries involving 2,800 participants.

I. HIV/AIDS

39. The interregional HIV/AIDS and Development Programme continued to promote awareness of the threat the epidemic poses to development. It is working with over 60 countries to reinforce national capacity to respond to the socio-economic causes and consequences of the epidemic. Among the Programme's principal focuses are ethics, law and human rights as they pertain to HIV, with networks established in the Africa, Asia and Pacific, and Latin America and Caribbean regions. The Programme also provided technical support and guidance to the creation of the Civil Military Alliance to Combat HIV and AIDS. With the

rate of infection in the military forces of some developing countries estimated to be as high as 70 per cent, the epidemic has important implications for national security as well as for the health of the communities where soldiers are stationed.

40. In parallel to programme support targeted directly and primarily at the mitigation of the HIV/AIDS epidemic, UNDP is moving to integrate HIV/AIDS considerations into all its operational activities wherever they are pertinent. For example, civil service reform programmes in several countries will have to take account of likely attrition rates due to the epidemic and should include in administrative training courses, education on the epidemic and its implications.

41. The new Joint and Co-sponsored United Nations Programme on HIV and AIDS advanced towards formal establishment during 1994. UNDP is one of the six co-sponsoring organizations, together with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Bank and the World Health Organization (WHO), of the Joint and Co-sponsored Programme.

42. Member States are following with interest the process leading to the establishment of the new programme: it represents a new arrangement within the United Nations system to combat a multisectoral problem. It embodies the programme approach and effectively breaks down the vertical structure that has characterized arrangements so far.

J. 1994: The mid-year of the fifth cycle

43. The year 1994 was the mid-point of the fifth programming cycle (1992-1996). The first mid-term reviews were launched, providing insights into the extent to which the goals and focuses of the cycle - given in legislative resolutions and decisions of the General Assembly and the Governing Council - are being met. Sixteen mid-term reviews were completed: reports and analytical overviews have been presented to the Executive Board for its consideration.

44. The content of the first years of any programming cycle inevitably reflects the priorities and approvals of the previous cycle. However, because of the long term nature of most development challenges, the transition from one cycle to another did not call for a radical or sudden rupture in the areas of UNDP programme support. Country programmes approved under the fifth cycle are essentially strategic, aimed at a limited number of major national (or regional) development objectives. As such, they are distinctly more focused than in previous cycles, based on the six areas of focus specified in Governing Council decision 90/34. They also aim to reduce the number of individual projects and, as called for in General Assembly resolution 44/211, to move progressively towards the programme approach under national execution, with its strong emphasis on national ownership and commitment.

45. After the broad parameters and thrusts for the fifth cycle were established in 1990, development thinking continued to evolve, spurred on by the melting of the Cold War. The concept of sustainable human development marks an important advance in the global search for a new way of ordering human affairs - a way

that is equitable to both current and future generations in all parts of the world, one that will ensure that future generations inherit a natural resource base at least as viable as that of earlier generations. At the same time, as the imperatives of superpower politics faded, external resource transfers were judged less in terms of realpolitik and increasingly in terms of their results and impact on socio-economic goals. Partly in response to this, greater attention has been paid to the coordination of external resources inter se and with programme countries' own resources. These emerging concerns have been taken into account in the ongoing process of programming and review.

46. The majority of the mid-term reviews will be undertaken in 1995. Based on the reviews already completed or under way, it is clear that the directives of the legislative bodies have been followed and are beginning to show results. There is clear evidence of concentration of UNDP support on fewer areas in line with Governing Council decision 90/34 and Executive Board decision 94/14, with fewer individual projects. For example, in Laos projects have been reduced from 50 to 15, in Guinea from 51 to 12; and in the regional programme for Asia and the Pacific from 350 to 80. Ownership is being reinforced with an increase in the rate of national execution, which has risen from 34 per cent of approvals in 1993 to 53 per cent in 1994. Capacity development (building, strengthening, utilization and retention) is being systematically addressed.

47. There has been a perceptible shift of emphasis away from concern for inputs towards a concern for outputs, results and impact. Weakness remains in the area of measurability - the setting of verifiable targets, performance indicators and benchmarks. The issue is covered in the mid-term reviews and awareness has been reinforced of the need to include these elements at the design and review stages. However, further effort is required and is being made to ensure that measurability is fully addressed and recognized from the earliest stages as indispensable for effective monitoring, reporting and evaluation.

K. Coordination of external cooperation

48. Coordination has long been a preoccupation of bilateral and multilateral organizations. Thinking on the subject has evolved considerably, from being mainly concerned with coordination between external organizations to being focused primarily on the integration of external resources into national development programmes. The terms "aid" and "assistance" have been replaced by "cooperation"; "partnership" has replaced "donor/recipient" to describe more accurately the relationship between the parties.

49. UNDP, in collaboration with the World Bank and the secretariat of the Development Assistance Committee (DAC), organized a high-level seminar in Paris in June 1994 on the subject of technical cooperation. Attended by all DAC members and prominent representatives from developing countries, the seminar endorsed the principles of ownership, partnership and cost-effectiveness adopted by DAC in 1991. It also concluded that in many cases the new philosophy of partnership had not been matched by new attitudes and practices. The Seminar called for greater attention to capacity issues in the agenda of Consultative Groups and round-table meetings. As an organization with a specific mandate for

capacity-building, UNDP was recognized as having a significant role to play in this regard.

50. A follow-up network was formed to work to achieve the changes urged by the Seminar. As a newly admitted permanent observer to DAC, UNDP is an active participant in the network.

51. It is widely accepted that effective coordination can be achieved only by the integration of external resources with local resources in the framework of national programme frameworks, designed to meet priority national goals. In essence, this is the programme approach, which UNDP is promoting in its operational activities. The new instrument developed by UNDP for this purpose, the Programme Support Document (PSD) has been introduced in almost half of the programme countries and a training package elaborated and tested. One of the main obstacles to its more widespread application has been the lack of funds available for new programming. Experience already shows that the existence of a goal-oriented national framework attracts external resources and facilitates coordination. For example, UNDP provided $1.7 million to the Economic and Financial Management Reform and Statistical Improvement (EFMAR) programme in the Pacific subregion. This has helped to attract supplementary funding from Australia, Japan, the Asian Development Bank and the International Monetary Fund.

52. UNDP was also active with other development agencies in work towards common monitoring, evaluation and accounting systems based on national systems, which all partners would use. This would bring relief and efficiency to national administrations that are currently hard-pressed to provide information in different forms to their various external partners.

53. UNDP continued to collaborate with other agencies, programmes and funds of the United Nations system towards enhanced coordination, mainly in line with the prescriptions of General Assembly resolution 47/199 (see DP/1995/30/Add.3).

54. In February 1994, the Heads of the JCGP organizations held their annual meeting for the first time in a programme country, Bangladesh. This afforded an opportunity to focus without distraction for three days on substantive and coordination issues, to visit the programmes and projects of the various organizations, to learn at first hand more about the development challenges of the host country and to explore practical ways to improve collaboration.

55. In July 1994, the Secretary-General asked the Administrator to assist him in "ensuring policy coherence and enhancing coordination within the United Nations itself, in particular among headquarters departments, the regional commissions and the funds and programmes of the Organization" and "with overall responsibility for assisting him in improving the coordination of operational activities for development, including the strengthening of the resident coordinator system".

56. To support him in this task, the Administrator established the Office for United Nations System Support and Services (OUNS), bringing in staff from other parts of the system. The Office focuses principally on support to the resident coordinator function. In this connection, UNDP decided, with the approval of

the Executive Board, to reallocate $2 million from the SPR programme for the strengthening of the resident coordinator function. In addition, UNDP proposed significant steps to broaden the resident coordinator selection process to include candidates from the JCGP agencies and to actively involve the heads of these agencies in this process. The number of serving resident coordinators from JCGP member agencies is expected to increase. At least 40 per cent of current resident representatives have served in the United Nations secretariat and agencies other than UNDP in their careers.

57. The Administrator was also requested by the Secretary-General to contribute to the drafting of the Agenda for development and to lead collaboration in the follow-up to ICPD.

L. Organization and staffing

58. The Board met four times in formal sessions. The number of days spent in these sessions was reduced 50 per cent compared with the average time spent in the Governing Council and its Committees in previous years. The volume of documentation (other than country programmes) was also reduced by some 70 per cent. The number of decisions taken was reduced from an average of 50 to 33. There is a consensus that the work undertaken by the Board is carried out in a more direct and business-like manner.

59. In 1994, the Administrator effected a number of organizational changes at headquarters. The Office of Evaluation and Strategic Planning (OESP) and the Office for Development Studies (ODS) were set up to strengthen the functions described in their titles. Both Offices report directly to the Administrator. The Planning and Coordination Office (PCO) became the Division for Resources, Planning and Coordination (DRPC) and was transferred to the Bureau of Resources and External Affairs (BREA) and an Inter-agency Coordination and External Policy Office (ICEPO) created in the same Bureau. ICEPO provides a single focal point in UNDP for formal relations with United Nations and other external partners such as the Development Assistance Committee.

60. With the transfer of the Central Evaluation Office (CEO) function to OESP, the former Bureau for Programme Policy and Evaluation (BPPE) became the Bureau for Policy and Programme Support (BPPS). It was restructured to include four thematic divisions. The former Division for Global and Interregional Programmes (DGIP) was absorbed into this new structure.

61. Throughout the year, negotiations were held on the move to enhanced autonomy of the Office of Project Services, which became the United Nations Office for Project Services with effect on 1 January 1995.

62. Despite the fact, as illustrated above, that UNDP functions include extensive support to the United Nations development system, as a whole, and are not confined to administrative and financial services to operational programmes, it became clear in 1994 that the UNDP biennial budget would have to be further reduced to keep administrative costs in line with core programme resources. However, in so doing, it must be borne in mind that many UNDP staff resources cannot be viewed merely as "overheads". They deserve recognition as the

greatest asset of UNDP, providing to the partnership among nations knowledge, experience and ideas on the complex subject of development. They also support national efforts towards the more effective coordination of resources to achieve development goals.

63. Tragically, 17 UNDP staff members lost their lives in 1994, while serving the cause of development.

M. Resources

64. The principal work of UNDP, in which most of its financial and human resources are invested, remains its support of national development programmes. In 1994, $1,036.5 million worth of technical cooperation was delivered to over 150 countries, made up of $452.2 million from core and $460.6 from non-core resources and $123.6 million from intercountry support and other extrabudgetary resources.

65. The stagnation of UNDP core resources since 1993 and the current uncertain outlook reflect the global situation with regard to development cooperation. It is a cause for concern and regret that, notwithstanding the substantial adjustments undertaken in response to the changed conditions of the post-Cold War era, the resource base for UNDP has been seriously eroded. To some extent, the growth in non-core resources has compensated for this erosion. However, non-core resources are, by definition, supplementary to, and not a substitute for, the core. Furthermore, they are not available to all countries; indeed, they are seldom available to those countries that need them most.

N. The challenge of the future

66. In 1994, the Executive Board began its deliberations on the direction UNDP will take after the conclusion of the current fifth programming cycle. A series of papers was prepared by the secretariat, elaborating on the proposals and debates of the Board and other members of the Programme with a view to arriving at a decision by June 1995. This ongoing debate takes into account the global compacts adopted by the community of nations, the mandate for focus on SHD, as given in Executive Board decision 94/14, the need to differentiate among countries according to their varied conditions, the requirement to support the resident coordinator system, and an uncertain resource outlook.

67. Looking back to the annual report for 1990, a comparison with the UNDP of that year and the UNDP of the present is instructive.

68. During the five-year period, the understanding of development itself has undergone a change in paradigm. The United Nations, in part through its series of global conferences, has been a major actor in this evolution. Specifically, UNDP, as the principal development arm of the United Nations, has made a significant contribution to this process through its emphasis on the people-centred nature of development and the importance of sustainability - both ecologically and institutionally. UNDP is recognized for its conceptual work on capacity development and the linkage with effective governance.

69. UNDP has placed ownership of the development process by the national partners - including the externally supported elements - at the heart of its cooperation. This is reflected in the growth of national execution as well as in the progressive move to the programme approach, which also recognizes the complexity and multisectorality of development.

70. From activities scattered over a wide spectrum of disparate fields in the form of a plethora of relatively small projects, UNDP has moved steadily to concentrate its scarce human and financial resources on a small number of priority thematic goals. Given the commitments already entered into both with governments and implementing agents, this transformation has inevitably taken time: the fifth cycle is essentially a period of transition.

71. The more focused allocation of UNDP resources is increasingly evident as the cycle progresses. Poverty alleviation, with special attention to women and sustainable livelihoods, the environment, and effective governance now constitute the main thrust of UNDP support to its partner countries and regions. Several activities were unknown five years ago, such as help with electoral reform, de-mining, support for human rights initiatives and advice on new penal codes. Concern for drug-related problems and HIV/AIDS has intensified enormously during the period as the ramifications of both have become ever more serious.

72. The resident coordinator system has been accorded greater importance during the 1990s, particularly following General Assembly resolutions 44/211 and 47/199. As UNDP resident representatives are invariably the resident coordinators, this has placed increased responsibility on UNDP to enable the enhanced resident coordinator system to perform as it is called on to do. The administrative and institutional measures necessary to rise to this challenge have been taken although the policy and organizational environment has not always been clear.

73. UNDP has moved to meet the challenges and policy prescriptions given to it in the years following the ending of the Cold War. It now needs the financial resources to carry out its redefined mandate and clarification of certain ambiguities that persist with respect to some functions and roles in the context of the United Nations and resident coordinator systems.

II. EXECUTIVE BOARD ACTION

The Executive Board may wish to

Take note of the present report.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1995/30/Add.1
24 April 1995

ORIGINAL: ENGLISH

Annual session 1995
5-16 June 1995, New York
Item 6 of the provisional agenda
UNDP

UNDP: ANNUAL REPORT OF THE ADMINISTRATOR AND RELATED MATTERS

Addendum

MAIN PROGRAMME RECORD

CONTENTS

		Paragraphs	Page
I.	PROGRAMME RESOURCES	1 - 4	3
II.	COUNTRY AND INTERCOUNTRY PROGRAMMES	5 - 134	3
	A. Regional Bureau for Africa	5 - 21	3
	B. Regional Bureau for Arab States	22 - 46	7
	C. Regional Bureau for Asia and the Pacific	47 - 80	12
	D. Directorate for Europe and the Commonwealth of Independent States	81 - 88	20
	E. Regional Bureau for Latin America and the Caribbean	89 - 113	22
	F. Division for Global and Interregional Programmes/ Science, Technology and Private Sector Division	114 - 134	27
III.	SPECIAL PROGRAMME RESOURCES	135 - 146	31

95-12213 (E) 260595 300595

/...

CONTENTS (continued)

		Paragraphs	Page
IV.	FUNDS ADMINISTERED BY THE UNITED NATIONS DEVELOPMENT PROGRAMME	147 - 191	35
	A. United Nations Capital Development Fund	147 - 152	35
	B. United Nations Sudano-Sahelian Office	153 - 157	37
	C. United Nations Development Fund for Women	158 - 160	38
	D. United Nations Volunteers	161 - 171	39
	E. Global Environment Facility	172 - 175	41
	F. Montreal Protocol	176 - 182	42
	G. Capacity 21	183 - 191	43
V.	OTHER MAJOR FUNDS AND PROGRAMMES	192 - 228	44
	A. Technical cooperation among developing countries	192 - 200	44
	B. Humanitarian assistance	201 - 204	46
	C. Inter-agency Procurement Services Office	205 - 214	47
	D. Office for Project Services	215 - 223	50
	E. Programme of Assistance to the Palestinian People	224 - 228	52

I. PROGRAMME RESOURCES

1. Based on the pledges received by March 1995 and taking into account estimates of contributions from countries that have been unable to make pledges so far, 1995 contributions to the central resources of the United Nations Development Programme (UNDP) are expected to amount to approximately $937 million. This amounts to a small increase of about 2 per cent, attributable mainly to the weakening of the United States dollar vis-à-vis other major currencies.

2. The level of $937 million would still be much lower than that originally projected under Governing Council decision 90/34, which called for an 8 per cent annual increase during the fifth programming cycle (1992-1996). The 1993 contributions fell below the 1992 level by 15 per cent and the 1994 contributions were slightly above the 1993 level. Viewed in the context of the Governing Council decision and assuming 1996 contributions at a level modestly above that of 1995, the shortfall for the cycle would amount to approximately $1.5 billion. For this reason, the Executive Board decided to reduce national indicative planning figures (IPFs) by 30 per cent from their original levels.

3. Of the Development Assistance Committee (DAC) donor countries that have made pledges so far, Spain and Portugal have provided substantial increases in their contributions while Germany, Netherlands, Norway, Switzerland and United States have maintained the 1995 contributions at the previous year's levels. Other DAC donors have yet to confirm the level of their 1995 contributions.

4. A number of programme countries increased their contributions substantially. These include: Burkina Faso, Cape Verde, China, Colombia, Ethiopia, Gambia, Ghana, Hungary, India, Lesotho, Malawi, Poland, Republic of Korea, Romania, Turkey and Zimbabwe.

II. COUNTRY AND INTERCOUNTRY PROGRAMMES

A. Regional Bureau for Africa

UNDP support for African development

5. The thrust of UNDP cooperation in Africa is first to assist countries in defining their own development priorities and strategies and mobilizing resources to attain them; second, to help them to develop national capacities to manage their own development; and third, to give direct support to the development process and remove specific obstacles to it. Working through the Regional Bureau for Africa (RBA), UNDP continued to provide support in 1994 to the secretariat of the United Nations New Agenda for Development of Africa in the 1990s (NADAF), mainly through its project executed by the United Nations Economic Commission for Africa.

6. Capacity-building for sustainable human development. Most UNDP-supported country programmes in Africa emphasize national capacity-building and strengthening, particularly in essential economic management functions of policy analysis, planning, programming, budgeting, statistics and debt management.

Additional support to capacity-building is provided through specific initiatives for this purpose such as the African Capacity-Building Initiative (ACBI), the National Long-Term Perspective Studies Programme (NLTPS) and the National Technical Cooperation Assessment and Programmes (NATCAP) mechanism.

7. ACBI seeks to strengthen regional and national capacities to enable them to formulate and manage national economic policy reforms and to internalize long-term development planning. In 1994, ACBI had a total of 22 operational projects in 15 countries. NLTPS was introduced in 1991 to help African countries to define national priorities to guide their development over a 25-year time span. In 1994, four countries - Côte d'Ivoire, Gabon, Guinea-Bissau and Mauritius - had reached an advanced stage in the formulation of their long-term perspective plans. Seven others - Cape Verde, Mali, Senegal, Swaziland, Tanzania, Zambia and Zimbabwe - have started the preparatory process and will complete their NLTPS in 1995. With respect to the NATCAPs, about 30 countries have adopted a national policy framework for technical cooperation and/or are at various stages of preparing a technical cooperation programme, both of which are used to integrate technical cooperation resources into the national budgeting process.

8. In a related development, UNDP also helped to organize a high-level DAC/UNDP/World Bank meeting in June 1994 on improving the effectiveness of technical cooperation in the 1990s, partly in an effort to operationalize the DAC guidelines on technical cooperation that were issued in 1991. To strengthen national capacity-building further, UNDP has dramatically reduced the number of long-term international experts in its programmes in Africa and has encouraged the use of national expertise in its cooperation with governments and other partners.

9. Governance. Working closely with the Electoral Assistance Division of the Department of Peace-keeping Operations, UNDP provided electoral assistance to Chad, Ethiopia, Liberia, Mozambique, Togo and Uganda. UNDP also facilitated a donor conference to mobilize resources for the revision of the electoral census of Equatorial Guinea and to establish the United Nations Electoral Assistance secretariat in Malawi.

10. Poverty reduction and civil society empowerment. UNDP collaborated with key partners in the Gambia, Guinea, Malawi, Tanzania and Zimbabwe, among others, in formulating participatory and innovative approaches to reducing poverty that focus on the more fundamental question of access to basic services and power structures. At the community level, UNDP continues to provide direct grants to innovative community-led initiatives for development through its Partners-in-Development Programme.

11. In order to assess and monitor progress towards achieving and sustaining development, several countries, in partnership with UNDP, launched national human development reports. In Botswana, the national human development report was instrumental in demonstrating the scope and impact of poverty, which has consequently become a priority national concern. In 1994, the report was expanded to include environmental dimensions of development and has served as the basis for creating a national action plan for human development in that country. In addition to ongoing initiatives in Cameroon, Ghana, Guinea,

Namibia, Malawi and the United Republic of Tanzania, new processes were launched in 1994 in Lesotho, Mali and Kenya. Special emphasis is placed on the need to: (a) ensure broad participation in the national report exercise; (b) further desegregate data that will disclose important disparities between regions and between urban and rural centres; and (c) to identify gender imbalances that lead to the exclusion of important sectors of society from the development process.

12. Gender in development. UNDP launched a regional gender programme that targets African research and training institutions. The programme, which is undertaken in collaboration with the United Nations Development Fund for Women (UNIFEM) and is on a pilot basis, will be used to develop new methods and refine existing approaches for mainstreaming gender-in-development processes.

13. RBA has engaged African leaders, policy makers and development partners in an ongoing dialogue in order to heighten their gender sensitivity. National action plans with a strong gender perspective have been formulated in a number of countries, including Seychelles and Guinea. In the Gambia, UNDP is supporting a programme to institutionalize the collection of gender-specific statistics within the framework of the Economic Management Capacity-Building Programme. In Nigeria, a $10.5 million SPR-supported women-in-development programme will mainstream gender issues into national policy and empower women to play an important role in the development process of Nigeria.

14. Fourth World Conference on Women, Beijing, September, 1995. The Africa regional preparatory conference, held in Dakar from 12 to 23 November 1994, led to the adoption of the African Platform for Action. With UNDP assistance, national preparatory committees have been established in over 40 countries and 37 countries have produced their national reports for the Conference.

15. Private sector. The year 1994 marked the beginning of renewed emphasis on the generation of private sector initiatives in Africa with a focus on small and medium enterprise (SME) and entrepreneurial development. A major SME programme commenced in Nigeria during the year and similar programmes continue in, inter alia, Côte d'Ivoire, Kenya, Malawi, Niger and the United Republic of Tanzania. Under the Africa Project-Development Facility, which promotes private-sector initiatives and African entrepreneurship, 27 projects were completed during the first ten months of 1994, representing total investments of $29 million.

16. HIV/AIDS and development. An evaluation of the links between HIV/AIDS and development undertaken in 1994 concluded that UNDP has broken important ground in raising awareness of the epidemic, which requires sustained attention. UNDP is supporting national and regional networks to create an environment that will foster open debate of the epidemic and encourage genuine behavioural changes without fear of recrimination. The evaluation also commended the technical support and capacity-building that UNDP provided to national partners in Benin, the Central African Republic and Côte d'Ivoire in articulating effective national programme responses to the social and economic dimensions of the epidemic. UNDP has initiated a consultative process with key agency partners to articulate major areas of collaboration and maximize programme synergies for HIV and AIDS. Five HIV and development national programme officers were recruited in 1994 with the main aim of strengthening UNDP capacity to respond to the

epidemic and assist the resident coordinators with country-level coordination for HIV/AIDS programmes.

17. Relief-to-development continuum. UNDP continued to support emergency relief operations in Africa in 1994. In collaboration with the Department for Humanitarian Affairs (DHA), it provided logistic support and coordination of relief operations in Liberia. In Angola, where the Resident Coordinator is also Humanitarian Assistance Coordinator, UNDP is providing support to the DHA Humanitarian Assistance Coordination Unit in the areas of logistics, staffing and communications. In Mozambique, UNDP, in collaboration with the United Nations Operations for Humanitarian Assistance and Coordination (UNOHAC), has been responsible for the coordination and management of donor support to the reintegration scheme for demobilized soldiers and reintegration and resettlement of refugees and displaced people. Following the closing down of the United Nations operation in Mozambique and the departure of UNOHAC in mid-November, the UNDP Resident Representative/Resident Coordinator took control of coordination of humanitarian assistance activities and projects hitherto carried out by UNOHAC. In Rwanda, UNDP played a leading role in the coordination of relief and emergency operations during the early stages of the refugee crisis and continues to provide support to the humanitarian assistance operations through the assignment of a Deputy Resident Representative for humanitarian assistance. Furthermore, UNDP carried out preparations for rehabilitation and reconstruction leading to the round-table meeting of January 1995. In Zaire, the Resident Coordinator is Humanitarian Assistance Coordinator, and through the UNDP emergency and relief coordination unit, provides logistic support to the Rwandan refugee operations in the Kivu province.

18. Environment and natural resources management. Environmental management, including conservation, the control of pollution and desertification, were included in many country programmes. In cooperation with the World Bank, the development and review of a number of national environmental action plans were supported, in particular, in Cameroon, Swaziland, and Zambia. Southern African countries were trained in national capacity-building for environmental policy review, planning and implementation and an environmental law review programme was initiated in East Africa with the support of Capacity 21. A further 18 environment projects are supported under the Global Environment Facility (GEF). In 1994, development of 10 of these was completed bringing the total under implementation to 14. Additional GEF support obtained in 1994 was $1.125 million for three new projects, including priority setting for bio-diversity in Madagascar, community-based marine conservation in Eritrea and activities to mitigate the environmental impacts of the Rwanda refugees in eastern Zaire. UNDP assisted in the organization of the Mayors Colloquium that brought together mayors from all over the world, including Africa, to discuss urban environmental problems. Focal points for the environment have been designated in each of Africa's 45 country offices to promote, develop and support environment programmes. In addition, national sustainable development advisers were recruited in 14 country offices to help to strengthen UNDP capacity to support environmental policies and programmes.

Mechanisms for collaboration with programme countries

19. Round-table process and aid coordination. During 1994, UNDP organized five round-table meetings in Geneva and 12 in-country sectoral consultations in sub-Saharan Africa. Round-table meetings were held for the Central African Republic, the Gambia, Guinea-Bissau, Mali and Seychelles. The themes covered by the sectoral consultations ranged from agriculture (Burkina Faso, Comoros and Eritrea) to human resources development (Benin, Central African Republic and Seychelles) and the social impact of adjustment (Benin, Chad, Congo, Gabon and Togo).

20. Aid coordination within the United Nations specialized agencies was effectively conducted through the monthly heads of agency meetings at the country level. It was also facilitated by the newly launched tool of the country strategy note (CSN). Burkina Faso, Kenya, Mauritius, Mozambique and Zambia are among the countries that have made most headway during 1994 in drafting the CSN. Considerable progress was made in establishing United Nations field committees.

21. National execution. Of the new projects approved in 1994, project documents were signed for 102, valued at $63.8 million. Of these, 51 projects (50 per cent) valued at $35.3 million were nationally executed. This number is expected to rise significantly when the rest of the approved projects are signed and included in the accounts.

B. Regional Bureau for Arab States

22. In 1994, the Regional Bureau for Arab States (RBAS) underwent restructuring as part of the overall transition in UNDP and to make it more focused and responsive to its constituent members. The responsibility for country programmes is carried now by two Divisions for Country Programmes, with one of them focusing on all the countries in North Africa as well as those in the region that have the status of least developed countries and the other handling the programmes in the net contributor countries of the Gulf and in the middle-income Arab countries of West Asia. The Division for Regional Programme, Policy Analysis and Support is carrying the responsibility for the development of initiatives that concentrate on priority developmental issues for the region and can add value to the national developmental efforts by intercountry cooperation.

23. Furthermore, the management of the intercountry programme in the Arab region was fully decentralized to the field. Only regional programming, financial management and financial and programme data collection functions were left at the central level. At the end of November 1994, in order to facilitate the decentralization, a briefing and training workshop was organized by RBAS for national officers from eight country offices who had assumed the newly defined functions of Principal Project Resident Representatives.

24. Country and intercountry programmes. The region moved in 1994 towards reviewing the country programmes at their mid-point. The bulk of the review meetings (13) will be organized in 1995 but judging from the issues papers as

well as from conclusions of the meetings, the main thrust of the programmes will be maintained until the end of the present cycle, with notable stress in them on UNDP support to the macro-economic reform process as well as administrative reform and selected social issues. Environmental and human development concerns are increasingly stressed in the discussions and in the documentation as priorities for the cooperation between the Member States and the organizations of the United Nations system (some seven countries in the region decided to develop country strategy notes).

25. In Tunisia, UNDP reviewed the country programme together with the United Nations Population Fund (UNFPA). It was the first experience of this kind in the region. The Government welcomed it in the context of preparations for the development of the country strategy note. One of the recommendations of this joint review was to use the sustainable human development concept and methodology as a basis for CSN preparation.

26. The intercountry programme advanced preparations for launching the three regional subprogrammes identified for 1994-1996, i.e., the SHD programme, the economic integration and trade programme, and the sustainable energy programme. In this context, the UNDP/Economic and Social Commission for Western Asia (ESCWA) expert meeting was organized in June 1994 to discuss ways in which a sustainable human development strategy can be formulated in the region.

27. National execution. Nationally executed programmes and projects account for 36 per cent of resources committed in the region by UNDP. It is a feature increasingly applied also in the implementation of the intercountry projects, where the regional intergovernmental organizations are taking on themselves the execution or implementation responsibilities. Some of the biggest initiatives in the region, e.g., the Area Development Schemes Programme in the Sudan and the regional project in the area of food security and water are nationally executed.

28. Support to macro-economic reform and governance. Better economic performance and enhancement of the services provided to the society by the public sector remained high on the developmental agenda of Member States in the region. UNDP assistance was requested in many such situations. Examples of UNDP involvement in this area can be provided by interventions in Algeria, where UNDP supported government efforts to design and start implementation of the socio-economic reform programme; in Lebanon, where UNDP is part of the Government's efforts in the area of administrative and fiscal reform and has provided assistance to the Ministry of Finance in the collection, management and administering of public finance accounts. In Kuwait, the Management Development Programme is in partnership with the Civil Service Commission and enhances its capacity to manage, monitor and provide technical support to the government agencies responsible for the implementation of the plan for administrative development. In Egypt, UNDP continues to play a critical role in strengthening the Government's institutional capacity to manage various aspects of the reform programme. In Syria, UNDP was asked to identify ways through which public enterprises can be restructured and thereby become more efficient.

29. Sustainable human development. The concept and methodology of sustainable human development became the basis of many developmental discussions in 1994 between UNDP, the Governments and civil society in the Arab countries. In

Egypt, UNDP supported production of the first national human development report and strategy. The report quantified human development conditions in all the country's 26 governorates. Its publication was followed by a round-table meeting which brought together all Egypt's governors to review its findings and endorse changes in ways of identifying and prioritizing development needs and allocating budgets. UNDP is now supporting the formulation and operationalization of an SHD strategy based on the articulation of needs at the grass-roots level and involving the participation of civic institutions from all over Egypt. RBAS will present the Egyptian experience to interested countries in a regional workshop. Ten other countries from the region expressed interest in developing country SHD reports - an effort that is being financed from SPR and has been involving close cooperation between RBAS and the Bureau for Policy and Programme Support (BPPS).

30. Protecting vulnerable groups of the population. Disadvantaged groups, including people living in poverty and women, continued to represent a special target for UNDP cooperation with the countries in the region. In Somalia, the UNDP-supported Bosteia Credit Scheme in Bosaso has involved over 400 women. The scheme achieved 100 per cent repayment of loans to local market women and provided them with training in business management and simple accounting.

31. The Arab Women's Centre for Training and Research was launched in Tunis in 1994. It receives support from UNDP, the Arab Gulf Programme for United Nations Development Organizations (AGFUND), the European Union, UNFPA and the International Planned Parenthood Federation. It will serve as a permanent source of expertise on women's issues in the region through its multi-faceted training, research, networking, advisory and information services.

32. A grass-roots approach that has been tested with success in the case of the Area Development Schemes Programme in the Sudan and in the interventions in Somalia has also been tried in Tunisia. Inspired by a workshop on poverty alleviation and grass-roots participation held in Dhaka (Bangladesh), UNDP and the Government of Tunisia began a project that entrusted the beneficiaries with a budget for the execution of their own community-based development projects.

33. The Social Fund for Development in Egypt continued with support from UNDP to protect vulnerable groups of the population from the initial adverse effects of the country's economic reform and structural adjustment programme. As of November 1994, more than 210 projects costing $375 million were under way in the framework of the Fund.

34. In the field of employment, the RBAS regional programme has been providing Arab countries with policy advice on labour administration and labour migrants. In Kuwait, the Public Authority for Applied Education and Training received assistance in building strategic planning capacity, which will lead to better employment opportunities for Kuwaiti nationals. Assistance was provided to bring Syria's occupational safety standards to international levels. This may make it easier for Syrian products to penetrate international markets with strict industrial import requirements and thus help boost jobs and exports.

35. Sustainable development. Several UNDP-supported initiatives were protecting and preserving the Arab region's environment. Through the Global

Environment Facility, UNDP facilitated about $20 million worth of national and regional projects and pre-investment studies in the Arab Region in countries that include Algeria, Egypt, Jordan, Morocco, Sudan, Syria, Tunisia and Yemen. In addition, UNDP offices and governmental and non-governmental partners were involved in a sensitization and programming process which resulted in a large pipeline of potential GEF projects totalling $30 million.

36. In Bahrain, Kuwait, Syria and United Arab Emirates, UNDP has been strengthening national capacity for environmental management and protection. In Lebanon, UNDP assistance through Capacity 21 helps to ensure that environmental concerns figure in short-term rehabilitation programmes and longer-term national development strategies.

37. The Sustainable Development Networking Programme is at various stages of implementation in Egypt, Lebanon, Morocco, Syria and Tunisia. It is creating national information hubs with computer links to interested national developmental institutions and national and external providers of environmentally sensitive development information.

38. On the regional side, UNDP continued to support two regional projects, building national capacities in resources management and environmental protection: Regional Network for Supplementary Irrigation and Improved Water Management at the Farm Level and Development of Current Technologies in Water Resources Management. The Mediterranean Environmental Technical Assistance Programme supported by UNDP, the World Bank, the Commission of the European Communities and the European Investment Bank ended its second phase successfully in 1994. It is facilitating the exchange of environmentally sensitive development information among Mediterranean countries, which it links in advocacy, training, identification of investment projects and other environment-related activities.

39. The UNDP Urban Management Programme supported sustainable urban development in Egypt, Jordan, Lebanon, Morocco, Qatar, Tunisia, United Arab Emirates and Yemen. Implemented through a decentralized, participatory approach, this programme addressed urban priorities such as the management of land, infrastructure and the environment, municipal finance and administration, poverty alleviation, enterprise development and heritage protection.

40. Preparatory process for the World Summit for Social Development and the Fourth World Conference on Women. Both events offered an opportunity for UNDP to broaden the partnerships in the countries of the region and include in them a variety of governmental institutions, civil society organizations (CSOs) and political, social and intellectual leaders. As a rule, the Resident Representatives have been associated with the national preparatory committees for these conferences and UNDP was financing or co-financing with other United Nations agencies meetings and studies conducted by governments and NGOs in preparation for them. In cooperation with ESCWA, UNDP supported two regional meetings that worked out the regional policy platforms for the World Summit and the Conference.

41. Relief-to-development continuum. The effort to find an effective response to the near-emergencies, emergencies, and post-emergencies constituted one of

the most significant features of UNDP activities in the Arab region in 1994. Also, in a number of countries, the level of UNDP developmental activities was lowered as a result of deteriorating conditions that hindered delivery of technical cooperation and - in some cases - as a result of the regime of sanctions imposed on member states by the Security Council.

42. The situation in Somalia continued to represent a complex set of challenges ranging on the one hand from assistance to rehabilitation and development in a most difficult political, social and security environment and on the other hand to support for aid coordination efforts. Rehabilitation and demobilization programmes were carried on in the relatively peaceful north-east and north-west, while in UNDP continued to support the vital service of water supply in Mogadishu. In October 1994, in collaboration with the Department of Humanitarian Affairs, UNDP initiated a United Nations coordination meeting in order to plan for the post-United Nations Operation in Somalia (UNOSOM) period. The meeting confirmed the resolve to continue humanitarian and rehabilitation efforts in Somalia and decided to create the United Nations Coordination Team, under the chairmanship of UNDP, to further enhance the coordination between the United Nations agencies in the course of post-UNOSOM activities. The United Nations Consolidated Inter-Agency Appeal for Somalia for the period January-June 1995 was prepared with full UNDP involvement.

43. UNDP played an active role in the preparation of the Consolidated Inter-agency Appeal for the Sudan. The UNDP Emergency Unit was instrumental in the effective facilitation of the response of the world community to the complex emergency in this country. The Area Development Schemes Programme grew into a major example of grass-roots development in a fragile, disaster-prone environment.

44. In Yemen, UNDP maintained its presence in the country during the difficult period of civil war. It played a crucial role in the prompt finalization of the Consolidated Appeal for Emergency Assistance for Yemen, assisted in the formal launching of the Appeal and continues to mobilize resources for rehabilitation of essential services, particularly water supply.

45. In Djibouti, at the request of the Government, UNDP was asked by the Secretary-General to lead a United Nations inter-agency mission to assess the country's humanitarian, rehabilitation and developmental needs in the aftermath of an internal conflict, natural disasters and the impact of the continuing critical situation in the Horn of Africa. In follow-up to the recommendations of the mission, UNDP launched preparations for a round-table meeting for Djibouti. The meeting is planned for May 1995 and it is expected to result in mobilizing additional resources to help implement the programme of action for the rehabilitation and reconstruction of the country.

46. In a joint initiative between the Regional Bureau for Arab States and the Regional Bureau for Africa, UNDP has responded to the growing crisis of large-scale forced migrations in the Horn of Africa by launching several programmes for the displaced populations. At the same time, in collaboration with several United Nations agencies, UNDP is developing a regional framework to address both short-term humanitarian needs and the long-term structural causes leading to displacement in the Horn of Africa region.

C. Regional Bureau for Asia and the Pacific

47. The need to respond to a great diversity of economic, social and environmental conditions in the Asia and Pacific region continues to present UNDP with stimulating challenges. The new Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific (RBAP) and the new mandates given to UNDP by the Executive Board, particularly in its decision 94/14 in relation to the report of the Administrator entitled "Initiatives for change" (DP/1994/39), have provided renewed impetus to the Bureau's efforts to promote people-centred sustainable development in the Asia and Pacific region during a period of dynamic development trends and challenges in the region. The number of country division in RBAP was reduced from three to two in order to foster greater efficiency in the delivery of support from headquarters to country offices in line with the overall UNDP budget strategy.

48. Country programmes. UNDP played a key substantive and facilitative role in the preparations for the second meeting of the International Committee for the Rehabilitation and Reconstruction of Cambodia (Tokyo, March 1994). Subsequently, the first country programme for Cambodia (October 1994-December 1996) was approved by the Executive Board at its third regular session in 1994.

49. Preparations for the UNDP technical cooperation framework for Indonesia (1995-1999) commenced in early 1994, following the mid-term review of the fourth country programme and drawing on the priorities in the country's sixth five-year development plan (REPELITA VI 1994-1999) and the draft CSN. The framework proposed a new approach for programming UNDP cooperation after 1996 and was reviewed and approved by the Executive Board at its second regular session 1995.

50. Mid-term reviews. A total of six mid-term reviews were carried out during 1994 (Bangladesh, Cook Islands, India, Western Samoa and the subregional programmes of South-East Asia and the Pacific). Joint issues papers have been drafted for mid-term reviews of a further seven country programmes (Kiribati, Malaysia, Nepal, Solomon Islands, Sri Lanka, Tuvalu and Viet Nam) and for the fifth intercountry programme.

51. National execution. During 1994, 80 nationally executed projects were approved for a total amount of approximately $58 million. This represents 69 per cent of the total number of new projects approved during the year, and 44 per cent of their total value. The figures compare favourably with those for the fourth cycle: nationally executed projects represented only about 12 per cent of the total value of all projects during the period 1987-1991. China and India remain the leaders in this field, with the national execution modality covering 32 per cent of total projects and up to 50 per cent of total project value in the fifth cycle (1992-1996) for these two countries.

52. Resources. As estimated at the end of 1994, total fifth cycle (1992-1996) indicative planning figure (IPF) resources available to the Asia and Pacific region amount to $1.3 billion. Cost-sharing contributions, Special Programme Resources (SPR), Technical Support Services (TSS) monies and trust funds are expected to provide another $200 million over this five-year period. Total estimated project expenditures in the Asia and Pacific region for the period

1992-1994 amount to $837 million. Of this sum, $268 million was expended during the year 1994, with approximately half of these monies representing about 125 new projects approved in the region during this year.

53. Aid coordination. UNDP chaired two round-table meetings in the region during 1994, for Laos (June) and Maldives (September). They resulted in donor pledges amounting to approximately $500 million and $100 million respectively. Preparations have also been finalized for the Bhutan round-table meeting (held in January 1995). The aide-mémoire reflects discussions with the Royal Government of Bhutan on progress and strategy recommendations on priority issues of development, with the primary aim of strengthening national efforts at aid coordination, and financial and human resource management.

54. UNDP has actively participated in a number of consultative group meetings this year, supporting the Governments of Indonesia, Philippines and Viet Nam in this process. At the consultative group meeting for the Philippines, the UNDP-sponsored "Philippine Human Development Report 1994", served as a principal reference point for the agenda item on sustainable development. The UNDP statement placed emphasis on poverty reduction, regional disparities in rural development, and the consequences of environmental degradation and high population growth on achieving sustainable development.

55. Country strategy notes. The CSN for Thailand was completed in early 1994. Draft CSNs are undergoing a final round of in-country consultations, and await final government clearance in China, Indonesia, Pakistan, Philippines, Sri Lanka and Viet Nam. Consultations with Government and the donor community on CSN preparation are currently under way in: Cambodia, Cook Islands, Fiji, India, Maldives, Myanmar, Papua New Guinea and Western Samoa.

56. Human development reports. Three human development reports were completed in 1994, by Bangladesh, the Pacific island countries and the Philippines. In support of human development initiatives in the Pacific island countries, and in collaboration with the Pacific Forum secretariat and other United Nations agencies, UNDP sponsored the preparation of the Pacific Human Development Report 1994. The exercise analysed the current state of human development in the countries and identified broad development strategies that take into account the specific socio-economic characteristics, fragile ecosystems and limited natural resource base of these island economies. Based on this, a senior Government officials meeting of the Pacific island countries (May 1994), endorsed the "Suva Declaration on Sustainable Human Development in the Pacific", which was adopted at the Ministerial Meeting of the Pacific Forum countries, in August 1994. The Pacific island countries and the donor community are now faced with the challenge of translating these strategies into concrete action at the country level, with a need to generate broad-based economic growth while making judicious, sustainable use of the limited natural resource base and ensuring a balance of the fragile ecosystems.

57. Intercountry initiatives and South-South cooperation. A brief analysis of ongoing work in support of South-South cooperation and TCDC in the Asia and Pacific region, suggests the primacy of the role of UNDP in: providing a neutral environment for open debate and negotiation; ensuring external technical support and multidisciplinary review of policy and programme frameworks;

providing financing and facilitation for technical exchange, high-level seminars and conferences (10 TCDC-related subregional workshops and symposia have been hosted in the region in 1994); initial backstopping of fledgling subregional secretariats, consultative mechanisms and networks; providing an impetus for research and training; enabling experimentation with demonstration sites; and catalysing and coordinating additional donor support for such efforts. A primary mechanism of support for the above, during the year, has been the fifth intercountry programme (1992-1996), which is focused on the three themes of human development through poverty alleviation; economic management and reform; and environment and natural resources management.

58. In June 1994, a $5.7 million programme of UNDP technical support was formally signed by the Association of South-East Asian Nations (ASEAN) and UNDP. Within this framework, UNDP will facilitate cooperation among ASEAN countries in the areas of trade, investment, environment, and human resources development, primarily through technical exchange and support to institutional capacity-building at the country and subregional levels. This programme is executed and implemented by the ASEAN secretariat. Simultaneously, with their support, UNDP is facilitating the broadening of membership to ASEAN, to include neighbouring countries in South-East Asia.

59. Following the United Nations Global Conference on the Sustainable Development of Small Island Developing States, held in Barbados from 25 April to 6 May 1994, UNDP was mandated to take the lead in promoting technical cooperation among these countries. The Governments of several Pacific island countries and of the Maldives as well as Pacific regional organizations participated in the follow-up process to determine the viability of strengthening TCDC among the small island developing countries. The feasibility study conducted resulted in a programme proposal of $3.2 million to support such efforts.

60. Area development programmes. The Tumen River Area Development Programme is a collaborative effort that brings together five countries to study the feasibility of joint development activity around the Tumen River Economic Development Area, in North-East Asia. The countries involved are: China, the Democratic People's Republic of Korea, Mongolia, the Republic of Korea and the Russian Federation. Over the year, the programme has produced a shared vision and strategy for the promotion and development of the border areas shared by China, the Democratic People's Republic of Korea and the Russian Federation along the Tumen River. It has also provided a neutral forum for discussion and agreement on a set of legal and institutional arrangements necessary to facilitate the above, as well as a collective consultative mechanism to oversee the general development and progress made in programme activities. International agreements have been proposed for the establishment of a North-East Asia consultative commission and a coordinating committee for the Tumen River Economic Development Area. A comprehensive regional development strategy was produced with the participation of the technical experts of the five participating countries and endorsed by the Governments concerned.

61. UNDP has supported efforts in South-East Asia to achieve growth and sustainable development in the Mekong River Basin, including strengthening the overall capacities of the Mekong secretariat. As of today, UNDP technical

cooperation to this effort has totalled close to $50 million, $3 million provided within the current planning cycle (1992-1996). UNDP has also been instrumental in catalysing additional external support amounting to approximately $600 million for this endeavour. UNDP support to this programme in 1994 focused on the crucial process of intergovernmental negotiations on the new Mekong Agreement, which was signed by ministerial representatives of the Governments of Cambodia, the Lao People's Democratic Republic, Thailand and Viet Nam on 5 April 1995. This new framework of cooperation will refocus future programme activities and facilitate effective implementation of joint bilateral and multilateral efforts for the sustainable development of the Mekong River Basin. Current support is targeted at upgrading the Mekong secretariat information systems, updating the Indicative Basin Plan, development of the hydrometeorological network, human resources development, mainstream hydropower studies, and assistance to Cambodia in undertaking specific studies on relief and rehabilitation activity.

62. Gender and development. Tourism is Nepal's third largest foreign exchange earner and one of the most promising in terms of providing scarce resources and employment-generating opportunities to remote areas. Rural unemployment and underemployment is highest among women in the country. UNDP has been providing programme support to enhance the productive skills and low-investment business opportunities for rural women through the project "Developing Women's Entrepreneurship in Tourism" in Nepal. An in-depth evaluation of this initiative was carried out in October 1994. The results show that the project has addressed a priority development concern in the country and has had greatest impact in the areas of broadening the skills base and access to employment opportunities for close to 700 rural women; and has propelled a process of strengthening institutional capacity among partner non-governmental organizations (NGOs) subcontracted to provide training. The evaluation points to an enhanced role and status of the women entrepreneurs in their professional and family settings and a significant increase in the living standards of their families over the past couple of years. The programme also addresses the issue of poverty and environment balance by giving specific attention to the local environmental impact of the tourism industry.

63. Decentralization and participatory development. The UNDP-supported Second Badulla Integrated Rural Development Programme in Sri Lanka aims to strengthen the role of small community groups and link them to mainstream public and private sector services. While reinforcing the capacities of local administrations, the project has mobilized over 700 community groups, who now have increased access to services and available resources. Simultaneously, UNDP has also supported: expanding grass-roots development activity in over 100 villages; the setting up of an NGO consultative committee to channel its PDP and GEF Small-Grants Programme; establishment of a network on rural savings and credit; and the pilot fielding of Domestic Development Service (DDS) field workers under the UNDP-supported Janasaviya Trust Fund to work with strengthening capacities of partner community-based organizations (CBOs). The above have enabled UNDP to become a significant interlocutor with the Government and NGOs in the country.

64. Based on Governing Council decision 93/21, which prescribed a grass-roots emphasis for UNDP activities in Myanmar, a human development initiative was

undertaken by UNDP in 1994 to work with low-income rural communities in the country. In order to reach these remote groups, and have them identify their needs and related responses, a group of 30 former United Nations Volunteers (UNV) specialists, now back in Myanmar, were recruited as community outreach workers. Following an intensive period of training in needs assessment and rapid rural appraisal, each was assigned to one of 14 townships as Township Programme Assistants. During the year they have facilitated needs assessments, developed the self-help capacities of rural neighbourhoods, including the initiation of income-generating activity for women, and focused the attention of the local population on the sustainable use of their natural resource base. These activities have also generated valuable socio-economic data, e.g., in water and education, from over 500 villages; generated an active response from the communities who have fully participated in constructing schools, water and sanitation systems, and in initiating credit schemes; and have stimulated the local township authorities to apply a more comprehensive human development approach to meet the needs of these communities.

65. HIV/AIDS. The second phase of the Regional HIV/AIDS Programme for Asia and the Pacific was initiated in 1994. It has since sponsored numerous country and intercountry technical workshops and seminars in the region to raise awareness of the economic and social causes and consequences of the HIV epidemic. Through support of research networks of social scientists, the project has been responsible for key impact analyses on the economic aspects of the epidemic, including the impact of HIV on poor households. Regional networks on the ethical and human rights aspects of HIV have been also established. The programme's consultative group meeting was held in December 1994 to review activities, progress and approaches to improved regional donor coordination in this field.

66. Human development and poverty elimination. UNDP is providing support to the South Asian Association for Regional Cooperation (SAARC) Poverty Alleviation Initiative, which began its preparatory phase of activity in 1994. The stimulus for this subregional initiative comes from the SAARC Heads of State Declaration on Poverty Eradication, and has as its central tenet the processes of social mobilization. The first stage of the programme, currently under way, is the training of nationals involved in participatory approaches, management and dynamics of social mobilization. A workshop on programme design is planned for January 1995 to finalize plans for phase I.

67. At the regional level, the Regional Poverty Alleviation Programme involves the participation of 16 countries in the region. This multisectoral endeavour is focused on macro and sectoral programme and policy support, working with countries to develop, implement and share improved and successful poverty elimination strategies and initiatives. Recent budgetary cuts have curtailed a number of these initiatives, both in terms of activities and country coverage.

68. A series of workshops were held to formulate and implement components of the comprehensive National Poverty Alleviation Programme in Mongolia, supported by UNDP. The overall package focused on three components: human development and a safety net for vulnerable groups, improved provision of social services, and employment generation. This approach was fully endorsed by donors at a UNDP-supported meeting held in Mongolia in July 1994. As immediate follow-up, a

multi-donor technical cooperation package has been further elaborated to help implement the Programme, which has highlighted a valued process for collaboration with United Nations system partners and the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank (AsDB), in support of national priorities.

69. Based on the first Balanced Development Report in Pakistan, which was an important input into the formulation of the Government's Social Action Programme (SAP 1992), a second balanced development initiative was launched in 1994. Entitled "Balanced Development: An Approach to Social Action in Pakistan", 1994/5, this second report assesses progress made on human development since the recommendations and programmes of 1992/3 and focuses on a follow-up agenda for accelerated implementation.

70. The study, entitled "Sustainable Human Development in Maldives: A Situation Analysis", undertaken in 1994, with the support of national authorities, has had considerable impact on the country's national development debate. It reviews the country's socio-economic development efforts over the last couple of decades and attempts to identify issues and factors that have constrained SHD. The initiative has spearheaded a strong SHD advocacy strategy, and was presented at the Atoll Chiefs Conference in August 1994, to mobilize policy support at the highest levels.

71. Environment and sustainable development. The national preparatory process to finalize China's White Paper on National Agenda 21 involved a national committee of over 50 government departments, spearheaded by the State Planning Commission and the Commission on Science and Technology. UNDP assisted in its preparation and helped to provide external reviews of the draft strategy document, which allowed for a tighter integration of the international dimensions of Agenda 21 while providing a focus on cross-sectoral concerns and analysis. UNDP also helped to organize a high-level international meeting to mobilize resources for implementation of the national agenda. The final paper, and the portfolio of programmes it details, was endorsed by the State Council, to be incorporated into China's National Development Plan 1995-2000.

72. The Bio-Villages Demonstration Project in Pondicherry, India, was approved in mid-1994, to be implemented through an Indian NGO, the Swaminathan Research Foundation. It aims to contribute to the alleviation of rural poverty and hunger by demonstrating, in selected pilot villages, a set of appropriate and sustainable low-cost technologies that would enhance income and employment opportunities for the rural poor while maintaining the quality of the environmental assets on which their livelihoods depend. The systems used combine a traditional knowledge base and know-how with cutting-edge biotechnology. The project hopes to establish a replicable community-based income and employment strategy based on the goals of sustainable agriculture and food security.

73. For the Global Environmental Facility, 1994 represented the concluding year of the pilot phase, as well as the commencement of the first year of the GEF operational phase. By the end of 1994, RBAP/GEF projects worth $72 million had been approved and under implementation. In parallel, a pipeline of projects from the Asia and Pacific region, worth approximately $90 million, was ready to

feed into the GEF I programme. Policy-level inputs provided by RBAP contributed towards the development of GEF I interim and longer-term programming strategies, criteria and priorities, including in areas such as incremental costs. Continuing support for member States to meet their obligations under the Rio Conventions was provided throughout the year through a series of workshops both at headquarters and in the region, and through the development of convention enabling activity projects for possible GEF funding.

74. Malaysia is now the leading producer and exporter of palm oil in the world. UNDP has been supporting this endeavour over a period of six years through the project Utilization of Oil Palm Trunks, executed by the Food and Agriculture Organization of the United Nations (FAO). The project has provided valuable research on alternative commercial uses of oil palm trunks, and appropriate and cost-effective technologies by which to do so. A feasibility study was proposed to analyse whether oil palm trunks can be used to produce bio-ethanol and ethyl tertiary ether for use in non-polluting transportation fuel. With the agreement of the Government, this proposal has been submitted to GEF.

75. The FORTIP programme (Improvement of Tree Breeding for Man-Made Forests) is a regional network supported by UNDP, which involves 11 countries. A significant feature of its accomplishments in the year has been the establishment of a series of twinning efforts between centres of excellence and members of the network for the transfer of advanced and proven technologies in the area of tree breeding and plant propagation. For example, the Agency for Forestry Research and Development in Indonesia is assisting the Ecosystem Research and Development Bureau of the Philippines in the selection and improvement of Dipterocarps. Another such twinning arrangement in 1994 was between the Forest Genetic Research Institute of the Republic of Korea and member countries interested in improved species of poplars and temperate pines. FORTIP thereby provides an effective mechanism for appropriate technology transfer.

76. Public sector reform and economies in transition. With the liberalization of the economy of Viet Nam and the concomitant increase in support from the donor community, international financial institutions and the private sector, UNDP has been assigned the major responsibility of supporting the Government in the area of capacity-building for aid coordination and management. As a result, a multidonor programme, spearheaded by UNDP and executed by the Government on public administration reform was formally launched in June 1994. This drive is paralleled by major initiatives on legal, financial and monetary system reform. A number of social adjustment initiatives were also supported and fully integrated with the above, including the formulation of new programmes dealing with HIV/AIDs; rural employment and income-generation endeavours to support ethnic minorities; finalization of a biodiversity action plan for Viet Nam, with assistance from GEF. An effort to integrate environment and development considerations in a systematic way into decision-making on public and private investment was launched with support from the Capacity 21 Programme. The first meeting of the Consultative Group for Viet Nam was held in November 1994, for which UNDP prepared a report entitled, "Viet Nam: Technical Assistance in Transition", which highlighted the need for a streamlining and redefinition of the structures and functions of those public administration institutions which would oversee current economic reforms.

77. The UNDP-supported project Supporting Foreign Investment in the Lao People's Democratic Republic (1992-1994) has provided significant impetus to the Government's efforts at improving foreign investment management systems, including the institutions, laws and personnel capacities that direct them. Accomplishments of the project include the training of staff in economics and administration at various levels, the creation of a "one-stop" investor's service centre to screen investment applications, assistance in the drafting of a foreign investment law, the standardization of contracts and the preparation of a comprehensive biannual promotional journal as a foreign investor's guide. It has also enabled the Government to reorganize and strengthen its Foreign Investment Management Committee (FIMC), which promotes and regulates investment strategies within the new legislation. The overall impact of these efforts has been impressive in terms of job creation, transfer of technology and improved business confidence in the country. The country has experienced a 400 per cent increase in foreign investment, from $140 million at the end of 1992, to $700 million by March 1994, with the number of new applications for investment approaching 500 for 1994.

78. Relief-to-development continuum. UNDP-supported activities in Afghanistan have concentrated on reconstruction and rehabilitation programmes, valued at approximately $15-16 million annually. These efforts were further consolidated in 1994 by the approval of five major projects for Afghanistan in the areas of rural rehabilitation, re-integration of the disabled, animal health and veterinary services, crop and seed production and urban reconstruction. Within the context of ongoing civil unrest, these efforts have aimed at delivering a flexible response to priority needs of communities; ensuring dialogue with local leaders; fostering community participation in reconstruction activity; facilitating the return of refugees; and re-building basic service structures at the village and district levels. UNDP projects in Afghanistan have also offered avenues for other donors to contribute to the country's reconstruction and rehabilitation effort.

79. Preparations for world summits. UNDP is providing support, as requested, to country-specific initiatives in this field, including assistance in the preparation of country reports and convening workshops around gender and development issues as specified by national partners. A joint United Nations inter-agency women-in-development task force was instituted in mid-1994 in the Islamic Republic of Iran, as a collaborative effort by UNDP and United Nations specialized agencies, to provide details and cooperate on the activities to be undertaken by the various United Nations bodies in support of the Government's programme of action for the Fourth World Conference on Women. It has provided backstopping to the Bureau for Women's Affairs, and to the National Committee recently set up to coordinate all activities for the Conference. Two workshops held this year (on gender and development, and women and information) provided the opportunity for over 250 women experts from the Government, universities and NGOs to dialogue on the incorporation of gender concerns into the national development planning process. As a direct result of this project, all 48 NGOs dealing with women's concerns in the country have been united under the National Committee, for the first time, to exchange views and effectively shape the national dialogue on gender issues.

80. UNDP-supported preparatory work for the World Summit for Social Development has involved country-level briefings, workshops and special events; enabling the production of national reports and position papers; and active participation at regional and global conferences on the core subjects involved. The Asia and Pacific ministerial conference on preparations for the World Summit on Social Development (Manila, October 1994) provided an excellent opportunity to dialogue with key partners and support a common platform for social development strategies and follow-up action for the region.

D. Directorate for Europe and the Commonwealth of Independent States

81. The Regional Directorate for Europe and the Commonwealth of Independent States (RDEC) currently has an ambitious and innovative programme in Central and Eastern Europe and the former Soviet Union. The majority of programme countries in the region joined UNDP only in 1993 at a time when IPF resources had already been allocated. However, with scarce resources, minimally staffed country offices were established in the majority of countries. In spite of the shortage of both human and financial resources, UNDP has nonetheless gained a comparative advantage in several key areas, as illustrated below:

82. Sustainable human integration through economic local development (SHIELD). The UNDP/International Labour Organization (ILO) joint initiative of preparatory assistance to build up a local economic and employment development programme for the region was carried out successfully in 1994. As a result, the Governments of Belarus, Bulgaria, the Czech Republic, Lithuania, Poland, the Russian Federation and the Slovak Republic have requested UNDP and ILO to assist them in the development of institutions and human resources, and the strengthening of various skills such as managerial, educational, entrepreneurial, human and institutional structures at the local level. The preparatory work for the establishment of a six-year regional programme (SHIELD) has been carried out to enable the regional programme to be launched in January 1995.

83. Democracy, governance and participation. In February 1994, UNDP launched a regional preparatory assistance programme to develop a programme to support democracy, governance and participation. The programme sets out to achieve the following objectives in the region: developing a comprehensive programme framework, supporting the strengthening of democratic institutions and processes, enhancing governance, increasing people's participation and strengthening civil society mechanisms. An array of activities has been already carried out to achieve these objectives. They include the international ombudsman workshop in Moscow, assessment, programming and formulation missions to Belarus, the Republic of Moldova and the Russian Federation, the preparatory work for the establishment of a multilateral democracy, governance and participation task force, and the shift from the preparatory assistance stage to a fully fledged regional programme. RDEC has committed substantial regional indicative planning figure (IPF) to the programme. Sizeable cost-sharing contributions from the Netherlands, Sweden and the United States are playing a pivotal role in the implementation of specific programme components.

84. Development of economic and social statistics and human development indicators. This programme assisted the countries in the region in the initial preparation of national human development reports and in building capacity for policy formulation and assessment of the social costs of the transition process. Through specific training workshops in Bishkek, Bratislava and Geneva, the countries received assistance in: (a) socio-economic survey design, collection and processing; (b) design of social sector and human development indicator systems; and (c) enhanced capabilities in the use of modern statistical computing technologies.

85. Regional training/national capacity-building for external resources management. UNDP launched this regional programme in response to the need of beneficiary countries for assistance with capacity-building in the area of aid management. An upgrade and translation of the Development Cooperation Analysis (DCAS) system called AMIS (Aid Management Information System) was prepared under this programme and implemented on a test basis in Belarus and Ukraine. Training for government officials responsible for public resources management were organized in cooperation with the United Nations Institute for Training and Research (UNITAR) and the World Bank.

86. Central and Eastern European Network (CEEPN). UNDP has been supporting CEEPN since its inception in 1991. The Network aims at gathering privatization officials of the region to share experience and information on privatization issues. In 1994 the membership in the Network considerably increased with the inclusion of nearly all the members of the Commonwealth of Independent States; it now has 27 members. Moreover, CEEPN changed its status from an NGO to an Intergovernmental Organization effective 1 January 1995. Finally, CEEPN has diversified its activities which, in addition to its traditional workshops, now include a privatization academy, where about 150 people will be trained every year; advisory services; the publication of technical notes and case-studies; training seminars; and a library, information and documentation centre on privatization.

87. UNDP has developed the Aral Sea Programme in cooperation with the five Republics of Central Asia, the World Bank and the United Nations Environment Programme (UNEP) as well as other multilateral and bilateral agencies and NGOs. Following successful fund raising, this programme is now moving into the implementation stage of its first phase. Programme and working groups have been established on a multidisciplinary and multicountry basis. UNDP, which takes the lead in the medium and long-term capacity-building components of the programme, has finalized an outline on capacity-building needs in the region. The comprehensive capacity-building efforts in relation to sustainable water management are directed towards the core steering institutions of the Aral Sea Programme, the programme groups and working groups, as well as national, local and non-governmental institutions.

88. Sustainable human development. RDEC has accorded priority to support SHD countries of Central and Eastern Europe and the Commonwealth of Independent States. In this context, a regional programme is being implemented whose objective is to improve the quality of policy-making through a broad-based participatory approach. The first phase of this project has assisted the countries of Central and Eastern Europe and the Commonwealth of Independent

States in the preparation of national human development reports focusing on the human cost of the transition process through nationally executed projects. This has provided the policy framework for developing national indicators on a wide range of human development themes. It has also brought together in dialogue government and civil society institutions, thereby assuming a wider perspective of the transition process and fostering a social consensus in support of reform strategies. Furthermore, it has greatly contributed to building advocacy for SHD objectives at the country level and has generated a significant level of public support. For example, in Turkey, the production of national human development reports led to a significant level of national awareness on the use of human development indicators for development policy formulation and planning purposes. In Poland, it has mobilized resources from the private sector. The Government of Japan has contributed towards this regional initiative.

E. Regional Bureau for Latin America and the Caribbean

89. UNDP experience in the Latin American and Caribbean region has provided positive examples of how the pursuit of development objectives can be combined with efforts to establish and consolidate peace and governance. The Regional Bureau for Latin America and the Caribbean (RBLAC) strategy for peace, governance and development covers various phases in the peace process, from preventive diplomacy to the consolidation of peace through economic, social and environmental reconstruction, the settlement of refugees and persons displaced by war and the protection of human rights, including the rights of indigenous peoples.

90. In 1994, the region provided opportunities to implement the strategy in Central America and Haiti, as well as in countries where UNDP interventions have focused on social reform and the strengthening of transparent and democratic government institutions. UNDP neutrality allows RBLAC to exert leadership in clarifying the relations between the State and civil society and, building on the Agenda for Social Reform that was launched last year with the Inter-American Development Bank (IDB), promote consensus on the need to undertake policies and specific measures for social improvement.

91. In Haiti UNDP was able to coordinate *in situ* the humanitarian aid provided by the United Nations system and helped the constitutional government to formulate policies and programmes in preparation for their return to the country. In addition, in close coordination with the donor community, UNDP updated the Emergency Economic Recovery Programme for a total value of $660 million and, together with the United Nations Department of Humanitarian Affairs, prepared and launched the Appeal for the Alleviation of Poverty - Bridging Humanitarian Assistance and Reconstruction Programmes for a total of $78 million.

92. In South America, the *Human Development Report* 1994, presented to the Argentine Constituent Assembly, led to the inclusion of four articles on sustainable human development in the new constitution. A UNDP-funded project, executed by the legislature, is now helping to define the corresponding national strategy and legislation. Similarly, at the request of the Bolivian President,

UNDP organized and participated in a senior-level seminar to operationalize sustainable human development in national policies, plans and budgets.

93. With regard to initiatives in governance, UNDP, together with the Department of Development Support and Management Services (UNDDSMS) and the Electoral Assistance Division of the Department of Peace-keeping Operations, supported the conduct of the 1994 general elections in Brazil and these simultaneous elections for President, State Governors, Federal and State Deputies and two thirds of Federal Senators involved 95 million voters and 35,000 candidates. Main results included the training of 2.5 million electoral officers and 400 technical personnel in computerized electoral information systems, and the installation of 3,500 microcomputers all over the country. Similarly in Mexico, in cooperation with the Electoral Assistance Division, UNDP assisted in designing and implementing the observation by civil society of the 1994 elections.

94. In Peru, continued UNDP support to the privatization process, through $88 million programme, has provided capacity-building to the Privatization Commission and assisted with the establishment of a legal and institutional framework for privatization consistent with SHD principles. Changes in Peruvian laws have ensured that government revenues from privatization will be allocated for poverty and pacification programmes.

95. UNDP continued its agenda on social reform: for example, in Peru, UNDP support to the National Fund for Social Compensation and Development influenced key areas of the social policy. The establishment of local development committees nationwide has promoted people's participation. Furthermore, the gender issue has been incorporated in the investment decision-making process. Finally, greater attention has been given to linking emergency actions with SHD. A pilot project on productive reconversion in Argentina that trained 2,000 young people for labour-market demands has resulted in a $400 million IDB-funded four-year national programme to train 200,000 people.

96. Support has been given to various countries in the preparation of the Fourth World Conference on Women: in Brazil, a United Nations inter-agency task force, under the aegis of the Resident Coordinator, supported the participation in the process of the Councils of Women's Rights, the NGOs, for academic centres women-in-development studies and other representatives of the women's movement.

97. Work has also continued in the area of environment and development: UNDP participation in the National Programme for the Environment in Brazil has been instrumental in promoting actions to protect ecosystems threatened by irreversible degradation, namely the Pantanal, the Atlantic Forest and Coastal Zone. Within this framework, two UNDP projects, associated to World Bank loans and aiming at implementing a sustainable development model for the states of Mato Grosso and Rondonia, were approved in 1994.

98. In Central America, UNDP continued to provide support for the peace and reconciliation processes and, in Guatemala, assisted in the establishment of a joint unit with the United Nations Mission in Guatemala (MINUGUA) for the observance of human rights. In El Salvador and Nicaragua, UNDP helped to implement the peace accords and strongly supported reconciliation and consensus-

building: in the first country, the capacity of the Electoral Tribunal was strengthened and a Human Rights Ombudsman Office was established, while in Nicaragua an important project was started to help the authorities resolve conflicting land claims, which is one of the most complex issues confronting that country today. In Costa Rica, technical support was given to the President's initiative on sustainable development, which was personally presented in a UNDP forum at the end of September.

99. Furthermore, UNDP supported the process leading to the adoption of a new development agenda in the subregion, from the definition of the agenda at the Presidential Summit Meetings of Guácimo, Costa Rica, in August 1994 and Managua, Nicaragua, in October 1994, through the approval of the Alliance for Sustainable Development by the Conference on Peace and Development held in Tegucigalpa, Honduras, on 24 and 25 October 1994.

100. The Conference on Peace and Development was the climax of a long period of consensus-building on the issues of peace and democratization in Central America, in which the Special Plan of Economic Cooperation for Central America played an important role. The Conference was attended by representatives of Central American Governments, the private sector, cooperatives, trade unions, indigenous communities, universities, regional integration organizations and the bilateral and multilateral donor community, including United Nations specialized agencies and the inter-American organizations. The Heads of State signed commitments in the political, economic, social, cultural and integration spheres and institutionalized the dialogue with civil society to guide new approaches towards the consolidation of peace through development in the subregion.

101. At the end of June 1994, Mexico City was host to the third and final International Meeting of the Follow-up Committee of the International Conference for Central American Refugees (CIREFCA) and welcomed the participation of numerous representatives of the international community, NGOs and the United Nations system. The Meeting represented the formal end of the CIREFCA process which, together with the Programme for Displaced Persons, Refugees and Returnees in Central America (PRODERE), had made a significant contribution to the peace process by furthering reconciliation and the integration of uprooted peoples that also benefited the local population. At the same time, the Meeting launched a new initiative on the basis of the Declaration of Commitments in favour of populations affected by uprooting, conflicts and extreme poverty within the peace framework being built in Central America. Local, national and regional mechanisms to ensure adequate promotion and follow-up of these agreements were approved at a meeting held in Guatemala City in November 1994.

102. Continued UNDP support allowed the Caribbean countries to advance their cooperation and integration efforts among the States, countries and territories. On 24 July 1994, the Convention establishing the Association of Caribbean States was signed in Cartagena, Colombia, by 33 countries. The Convention, which enters into force upon ratification by two thirds of the States, is aimed at strengthening cooperation, as well as cultural, economic, political, scientific, social and technological relations among the signatories.

103. At the national level, UNDP continued to provide support for poverty alleviation, as for example in Jamaica through the Food Stamp Programme,

financed jointly with United States Agency for International Development/United States Department of Agriculture (USAID/USDA), the Typhoid Control and Prevention Programme and an AIDS/sexually transmitted diseases (STDs) Education Programme to be implemented in schools. In Guyana, assistance was given to improving the delivery and quality of social services, an integral aspect of the Government's overall SHD programme. Linked closely with that of other donors, UNDP support focused on education, health and human settlements.

104. UNDP provided substantial support and participated in the main and ancillary activities of the United Nations Global Conference on the Sustainable Development of Small Island Developing States, which was held in Barbados from 25 April to 6 May 1994. Two major documents emerged from the Conference: the Barbados Declaration, which reaffirms agreements reached previously at the Earth Summit and reiterates them in the context of the sustainable development of small island developing States; and the Programme of Action, which relates to a series of issues and development activities geared to the realization of sustainable human development of small island developing States. The Programme of Action refers to three activities for which UNDP support is sought: the establishment of a global information network (SIDSNET); a horizontal cooperation programme (SIDSTAP); and capacity-building for the implementation of the Programme of Action.

105. UNDP supported the preparation of the Caribbean region in the upcoming World Summit on Social Development, March 1995. Specifically, support was given to NGOs and community-based organizations in the region with a view to heightening awareness about the core issues of the Summit.

106. UNDP is also seeking to strengthen the capacity of the region, particularly among media workers and educators on gender sensitivity and women and development issues, through its technical cooperation initiatives in preparation for the Fourth World Conference on Women in September 1995. Training and advocacy programmes, utilizing data produced in the national and subregional reports prepared for the Conference are currently under way.

107. UNDP continued its support to all the Eastern Caribbean countries in the area of environment and development. Specifically, a coordinated approach to land-use planning, settlements and environmental management is being pursued. In addition, efforts at capacity-building and institutional strengthening aimed at enhancing the human resources of the subregion were carried forward.

108. Through the regional programme, UNDP and IDB jointly sponsored the Latin American and Caribbean Commission on Development and Environment, which has continued to raise awareness, and encouraged a regional dialogue on issues of sustainable development. The Commission agreed that the December 1994 "Summit of the Americas", held in Miami, presented a historic opportunity to usher in a new era in hemispheric relations. To support this eventful process, the Commission members contributed their considerable experience and leadership towards assisting countries of the region to prepare for the Summit. Prior to the Summit, they sent a letter to all Heads of State or Government in the hemisphere, urging them to adopt sustainable human development as the unifying principle for the Summit, and published a comprehensive technical document entitled Our Common Agenda for the Americas.

109. A large part of the regional programme efforts in this area are to bring together national experiences to develop a subregional or regional consensus on issues relating to improving governance. In May 1994, for example, the regional programme funded a meeting of mayors of cities throughout the Americas in Medellín, Colombia, to discuss decentralization, local government and democracy. The final declaration formalized their resolve to fight for SHD at the municipal level.

110. As modern trends in governance gain ground on the continent, there is a move towards decentralization and a devolution of executive power from the State towards the other elements of civil society. This means, inter alia, that (a) the State must become a more regulatory body whose policies better reflect social realities and (b) those increasingly responsible for implementing policies, among others the NGOs, require enhanced capacities at various levels. In this context, and as a follow-up to the November 1993 meeting on civil society, the regional programme convened a round-table meeting of representatives from several NGOs to assist in the realization of several recommendations of the regional workshop on building a new partnership for participatory development. A mechanism that would utilize debt swaps as a means of funding capacity-building activities at national levels was proposed and formally developed. These funds would be established expressly to assist NGOs to strengthen their capacities to manage existing resources better and to increase their abilities to capture greater volumes of resources by using new financial strategies and underutilized financial instruments. Implementation of the proposal is expected in 1995. It is interesting to note that the need for mechanisms enhancing financial sustainability mechanisms for NGOs was also endorsed in a regional meeting on 4 and 5 December, organized by the high-level South American Peace Commission IDB and European Union funding.

111. With regard to the trade portfolio, the regional programme funded a series of activities under a programme with the United Nations Conference on Trade and Development (UNCTAD) that assists in the dissemination of the results of the Uruguay Round. The programme met with great success, as measured by demand for and attendance at workshops organized throughout the Latin American and Caribbean region on issues such as requisite legislative reform, relevance and implications of the Uruguay Round for the private sector, and discussions on agreements of country-specific interest, such as agriculture and textiles. In addition, activities to increase interest and cooperation between certain countries of Latin America and the Caribbean and the Pacific Basin deserve special mention on account of their relevance to the principles of the Uruguay Round.

112. UNDP assisted 13 Latin American and Caribbean countries to establish national commissions on biotechnology and a regional coordination mechanism. As a direct result of the UNDP regional project, the Governments of Argentina and Brazil set up a fund to support joint research initiatives and offer fellowships to candidates from the region. This is an example of how regional seed money successfully acts as a catalyst for further development activities, in this case technical cooperation between developing countries, without any further support from international organizations.

113. As part of a project to modernize the ministries of foreign affairs in Latin America and the Caribbean, complete systems have been set up in Chile, Colombia, El Salvador, Nicaragua and Venezuela. The success of these technological and methodological innovations has prompted Bolivia, Costa Rica, Dominican Republic, Guatemala, Honduras and Peru to request similar assistance from UNDP in 1995. Similarly, the Government of Cuba has requested UNDP, through an Economic Commission for Latin America and the Caribbean (ECLAC)-executed regional project, to assist in carrying out fiscal reforms. During this critical period of economic restructuring, Cuba will benefit from the accumulated experience gained through the project in providing other Latin American and Caribbean countries with sound advice on restructuring their economies.

F. Division for Global and Interregional Programmes/Science, Technology and Private Sector Division

114. UNDP global and interregional programmes in 1994 helped to mobilize international support for the use of science and technology to solve problems confronting developing countries around the world. These programmes provided seed money to support research activities and cooperative efforts that achieved major advances in health, agriculture, aquaculture, water, sanitation and other fields.

115. In September 1994, most activities of the Division for Global and Interregional Programmes (DGIP) were integrated into the newly created Science, Technology and Private Sector Division. The new division also assumed responsibility for the functions carried out by the Private Sector Development Programme and the United Nations Fund for Science and Technology for Development.

116. In the field of health, a $600,000 feasibility study financed by DGIP led to the creation of the International Vaccine Institute, based in Seoul, Republic of Korea. The institution will carry out its work within the larger goal of the Children's Vaccine Initiative, which was launched in 1990 by UNDP, the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the World Bank, the Rockefeller Foundation and other donors. The Institute will fill a significant need in developing countries for a world-quality centre devoted to providing technical cooperation and capacity-building support for vaccine development, manufacture, quality control and regulation. While the Institute is to be located in Asia, where the majority of the world's children live, its programmes, products and systems will be global in scope. It will also serve as an international centre for research and development in vaccine-related sciences (particularly in relation to diseases of priority in low-income countries) and to catalyse technical cooperation among developing country scientists and institutions.

117. Major strides in providing more food for the world's poor have been made by research institutes supported by the Consultative Group on International Agricultural Research (CGIAR), which is funded by DGIP and other donors. Over 1 billion people in developing countries depend on fish as their major source of protein. The world fish harvest is now estimated at 100 million tonnes a year,

with farmed fish accounting for about 13 per cent of the total. But with sea and river fishing already near capacity, aquaculture will have to provide most of the additional 100 million tonnes the increased population will require by 2025. At the CGIAR-supported International Centre for Living Aquatic Resources Management in the Philippines, genetic breeding of tilapia over five generations has resulted in the fish reaching maturity in less than half the time of conventional breeds. The improved strains are being shared with institutes in China, India, the Philippines, Thailand and Viet Nam through the International Network on Genetics in Aquaculture (INGA). INGA was created as a result of a DGIP-funded technical mission to explore the possibility of networking in aquaculture genetics. Among other collaborative research activities, countries receiving the enhanced breeds will attempt to produce salt-tolerant and cold-tolerant tilapia.

118. The International Potato Centre in Peru is developing pest and disease resistant strains of this important food source with a $4.6 million grant from DGIP through the CGIAR. The project's main purpose is to reduce the costly and environmentally harmful use of pesticides. However, as part of the project, a subcontractor at Cornell University in the United States has discovered a new and efficient method of preserving potato germplasm by freezing it in liquid nitrogen. This means that potato breeders will no longer have to propagate the germplasm every few months to preserve it.

119. Another CGIAR-supported agricultural research institute, the International Institute for Tropical Agriculture (IITA), in Nigeria, is working in partnership with Winrock International, a United States NGO, to promote the role of women in integrated pest management. Through the African Women Leaders in Agriculture and the Environment programme, fellowships at the masters-degree level have been awarded to exceptional women from seven African countries. Their specialties include crop science, plant biology and weed management.

120. A Global Environment Facility project, funded by DGIP and executed by the World Meteorological Organization (WMO), is establishing six stations at remote sites in developing countries to monitor greenhouse gases in the atmosphere at a global level. The stations will become part of the WMO Global Atmosphere Watch (GAW). Prior to 1994, there were only 11 GAW global stations, all in developed countries. The six new monitoring stations will survey remote areas not previously covered, feeding information into the GAW data bank. They will also bring atmospheric chemists in developing countries into the full debate on global climate change. In September, the first of the six stations was opened on Mount Waliguan in the highlands of central China. It is at the highest elevation and occupies the largest facility in GAW.

121. In a related GEF-funded project, the International Rice Research Institute in the Philippines is measuring methane emissions from rice fields.

122. The HIV and Development Programme helps to increase the global awareness of the threat the epidemic poses to development. It is working with over 60 countries to reinforce national capacity to respond to the socio-economic causes and consequences of the HIV epidemic. One of the Programme's principles focuses is on ethics, law, human rights and HIV, with networks established in the African, Asia-Pacific and Latin America-Caribbean regions. The networks assist

in developing consensus on appropriate ethical and programmatic responses to the epidemic and in the provision of legal and ethical services for those affected by HIV and AIDS. The Programme has provided technical support and guidance to the creation of the Civil-Military Alliance to Combat HIV and AIDS. With the rate of HIV/AIDS infection in the military forces of some developing countries thought to be as high as 70 per cent, the epidemic has important implications for national security, as well as an impact on the communities where soldiers are stationed. The purpose of the Alliance is to promote global civil-military cooperation in combating HIV and AIDS through the pursuit of fair and effective policies, strategies and programmes in both civilian and military populations. Discussion papers produced by the programme explore issues of the interrelationships between development and the HIV epidemic, including how women are affected, men's role in the epidemic, the role of the law and children in families affected by the epidemic.

123. UNDP has joined with WHO in a programme to strengthen national capacities to reduce maternal deaths and disabilities. Activities are taking place in a number of countries and include preparing national safe motherhood strategies, developing monitoring and evaluation programmes for the national plans, holding trainer workshops and organizing donor round-table meetings.

124. In attempting to improve water and sanitation services, developing countries are facing enormous political, economic, and social challenges as they move into the next century. But one age-old problem - an unhealthy environment caused by unsafe drinking water and inadequate sanitation - will continue to plague efforts aimed at nation-building, accelerated economic growth and poverty alleviation. In an era of financial stringency, the limited resources available to assist developing countries must be directed prudently towards those investments with the highest payoff; experience in country after country demonstrates that water and sanitation improvements are vital to economic progress and, more broadly, provide the very foundations for sustainable human development.

125. Through its partnership arrangements with Governments, United Nations agencies, the World Bank's operational divisions, bilateral aid organizations, non-governmental groups, and the private sector, and through continuing innovation and learning, the UNDP-World Bank Water and Sanitation Programme is making a major contribution to directing resources effectively into poor communities where help is needed the most.

126. In 1994, the Programme, to which UNDP is the principal contributor, was heavily involved in increasing its activities from pilot projects to large-scale investments by the World Bank. For example, through its involvement in 10 large projects in seven developing countries, the Programme is having a major influence over $1.2 billion in follow-on investments. In addition, many of the Programme's longer-term initiatives reached the stage of development where they were handed over to other partner agencies to achieve wider dissemination. Work in the field of capacity-building carried out through the International Training Network has led to the establishment of at least six independent training institutions or national networks. The Programme's proven successful strategic objectives are: building national and local capacities; supporting sustainable

investments in large-scale investment projects; and incorporating learning into implementation.

127. In India, some 20 million people depend on jute growing, processing and production for their livelihood. However, jute has been forced out of its traditional markets by synthetic materials. The Government of India and the Private Sector Development Programme are administering a jointly funded $46 million programme to develop alternate uses for jute. A substantial list of new products, including textile blends, paper, composites and furniture components has been developed. In an innovative application, jute is being used as interior molded panels for cars.

128. The United Nations Fund for Science and Technology for Development (UNFSTD) produced a Manual on Technology Business Incubator Centres based on experience gained in a number of developing countries. Technology incubators provide support to small start-up firms that have created new products or software by providing administrative, managerial and financial support until their enterprise becomes self-sufficient.

129. The most successful experience to date has been in China, where the Government has created about 60 technology incubators as the result of a UNFSTD feasibility study. It often happens in developing countries that essential scientific instruments gather dust because of the high cost of bringing technically competent personnel from developed countries to repair them. UNFSTD has trained 60 Bangladeshis in the maintenance and repair of scientific instruments, and they, in turn, are creating a national network of instrument technicians and users. Similar training was carried out in Cameroon through the first private sector contribution to UNFSTD.

130. The Global Technology Group (GTG) has initiated about 140 projects over the past three years in the field of technological innovations and transfer and adaptation of technologies in the private and public sectors of least developed countries mainly using SPR financing. Of these, 27 projects have already led to major capitalization almost entirely by investors and entrepreneurs from developed countries. The Group advocates and successfully implements developmental projects based on four central issues: (a) the identification of the unique products of a country or region based on its biodiversity and human resources endowments; (b) the facilitation of production and marketing of such unique products by north-south or south-south transfer of state of the art technology; (c) the stimulation of an egalitarian, mutually profitable interaction between local and international entrepreneurs through a process called business catalysis; and (d) helping to build a legal infrastructure that protects intellectual property of innovators in developing countries and a variety of innovative licensing and business forms of both north-south and south-south linkages. GTG has also become one of the world's focal points for NGOs involved in science and technology.

131. In Cameroon, GTG has helped to bolster export earnings from the locally manufactured gourmet-quality soluble coffee to replace the traditional export of green coffee, which suffered greatly from the sharp decline in world prices of primary agricultural products. The Cameroonian authorities have built a large factory that produces at least 3,000 tons of spray-dried soluble coffee plus

substantial quantities of traditionally roasted coffee annually. The international recognition of Cameroonian gourmet-quality coffee has set in motion an increasing investment in the industry that identified the potential to create at least 1,000 new jobs. The ownership of the factory was decided through a non-exploitative catalytic process involving both local and foreign entrepreneurs and a major capitalization plan. This process is now being applied to other fields of Cameroonian productivity.

132. In Lesotho, the Ministry of Water, Energy and Mining, with the help of GTG, has established the Dimension Stone Agency, which promotes the mining and marketing of Lesotho's traditional building material, a fine sandstone called Dimension stone. Based on recommendations of a feasibility study performed by GTG, the Agency implements training programmes for quarry masters and masons, introduces simple rock-cutting technologies, creates and manages a centralized stock, and provides technical cooperation to small enterprises and family cooperatives. The growth of the industry has already generated 700 new jobs, reduced the import of clay bricks, stimulated private entrepreneurship and preserved Lesotho's architectural heritage. The Government of Lesotho has responded very favourably to a GTG proposal and declared that Dimension stone be used as the primary construction material for all government buildings. The project has thus generated employment, income and national pride by focusing on transferring appropriate technologies to develop a unique product from the country.

133. One of the most innovative and ambitious GTG projects involves assisting 290 Chinese military establishments to convert their technical, physical and human resources to civilian production. The project has received the full cooperation of the Government and is being partially implemented through the China Association for Peaceful Use of Military Industrial Technology (CAPUMIT), which is making substantial financial contributions to arranging two training workshops for 600 managers of military establishments. In line with the concept of business catalysis, the managers first receive intensive practical training in finance, marketing and management, formulate formal conversion proposals and then interact with international and local catalysts (investors and entrepreneurs) to explore the possibility of civilian production for the domestic and export markets.

134. In Mongolia, GTG has been assisting the Government to formulate a viable technology transfer and adaptation policy for the country. A cornerstone of the recommendations made to the Government includes guidelines and advice for a new intellectual property rights system particularly for the growth of small and medium-sized enterprises, cooperation with foreign catalysts, and the commercialization of local inventions and innovations.

III. SPECIAL PROGRAMME RESOURCES

135. Special Programme Resources represent funds set aside by the Governing Council to finance specified types of programme activities during each programming cycle for purposes established by the Council. Specific details on each SPR category approved for the fifth programming cycle were provided in document DP/1992/7. An SPR allocation of $313 million for the fifth cycle was

reduced by 30 per cent in the second year of the cycle. To this was added a carry-over of $65.207 million from the fourth cycle, giving a fifth cycle allocation of $284 million. Overall SPR reductions for the fifth cycle have had a considerable effect on programme operations, particularly for those programmes where resources initially allocated were already very limited.

136. By the third year of the fifth cycle, $242 million, or 85 per cent of aggregate SPR allocations were committed. In line with Governing Council decision 92/7, expenditures among the 27 categories of SPR activities approved by the Council were divided into six clusters, grouped by type of activity. In-depth mid-cycle evaluations of several categories were initiated as required by Council decision 91/54.

137. Some of the most interesting and important SPR initiatives undertaken in 1994 are described below.

138. Disaster mitigation. In line with the criteria established under this category, assistance has become increasingly targeted towards support for coordination activities with special focus on activities not covered by the mandate of other United Nations agencies. Within the operational framework of the disaster-to-relief continuum, allocations focused on initiatives to reduce vulnerability through capacity-building for disaster preparedness and disaster management. They also included multisectoral needs assessments for the internally displaced, refugees and returnees, as well as the provision of short-term support to resident coordinators to enhance the field-level coordination of emergency-phase assistance provided by the United Nations system. To ensure that resources for such activities are deployed prudently and are catalytic to the establishment of integrated programmes of recovery, the formulation process involves wide-ranging consultations. By 1994, United Nations Disaster Management Teams (UNDMTs) actively functioned as the prime United Nations system-wide coordination mechanism at the onset of an emergency and in formulating disaster prevention and management projects reflecting a broad-based, multi-agency consensus in programme development and implementation. Assistance was provided to populations affected by natural disasters, such as floods, earthquakes and cyclones. Support was also targeted to those suffering the devastating consequences of internal conflict such as those in Bosnia and Herzegovina, Haiti, Liberia and Rwanda.

139. Thematic activities. The principal objective of the thematic activities is the mainstreaming of the six areas of focus specified in Governing Council decision 90/34, through the catalytic financing of development in these areas. The areas coincide in many respects with the "Initiatives for change" (DP/1994/39) approved by the Executive Board at its annual session 1994, which delineated the areas of priority UNDP focus as capacity-building for poverty elimination, environmental regeneration, job creation and the advancement of women, all underpinned by support for sound governance within the sustainable human development framework. Thus, the SPR for thematic activities served to provide impetus to the mainstreaming of these focus areas in development programmes. Also notable is the extent to which additional resources have been mobilized through national, bilateral and multilateral sources as a direct result of SPR seed funding.

140. For example, assistance was provided to activities related to policy analysis and advocacy of poverty alleviation and to networking among NGOs and Governments in preparation for the World Summit on Social Development. The latter facilitated the exchange of experiences and information on key WSSD issues among the five developing regions. In an increasing number of cases, a poverty alleviation SPR allocation has successfully led to complementary funding from the IPF as well as from other bilateral and multilateral financial institutions for national anti-poverty strategies such as those in Malawi, Mongolia and Zimbabwe.

141. In support of efforts to advance and incorporate environmental concerns at the earliest possible stages of economic decision-making, as recommended by Agenda 21, support has been provided to a network of southern NGOs and development practitioners to build their capacity and collaboration capability in communications and research activities aimed at clarifying key policy issues before the Commission on Sustainable Development (CSD). This includes the various environmental conventions and related post-United Nations Conference on Environment and Development (UNCED) issues. Another initiative that has resulted in attracting significant complementary financing with partners within and outside UNDP was the comprehensive UNDP Strategic Programme on Forests. The Programme was initiated to support the implementation of the Forest Chapter of Agenda 21. It was designed to provide assistance in the building of country capacity to manage national forest programmes by (a) developing national and international consensus on the reduction of deforestation and (b) utilizing and conserving forest resources. In this way, the contribution of the forestry sector can be maximized and integrated into national development planning and environmental management. An innovative programme has been designed to assist indigenous peoples in developing their own strategies, based on traditional knowledge, for the sustainable exploitation of biodiversity and habitat preservation while yielding economic benefits for the support of local populations.

142. In the women-in-development area, the preparations for the Fourth World Conference on Women was used as a major entry point to bring together statisticians and policy makers at the national and international levels for a workshop on the integration of gender data and statistics in policy and programming for sustainable human development. In Africa, assistance has also been provided to the development of regional strategies and research capacities to incorporate gender analysis into national economic planning, while Eastern European countries in transition received support focused on building national capacity to develop innovative methodologies for the disaggregation of gender statistics and to incorporate the gender dimension in national development initiatives. Special events and presentations are planned for the Conference, building on these preparatory activities. The Transfer and Adaptation of Technology for Development Programme supported initiatives that have introduced manufacturing technologies utilizing natural resources for the improvement of industrial productivity oriented towards local and export markets. Examples of such efforts include an automated manufacturing programme that promotes rapid prototyping technology to countries of the Arab region, the transfer of rock-cutting technology to the diamond industry in Lesotho and support to programmes in Argentina, Mexico and Uruguay that established a financing and marketing framework to support innovative small and medium enterprises and also

contributed to the creation of a pool of funds and skills for each country to draw upon in the future.

143. Finally, a mid-cycle evaluation of the Management Development Programme (MDP), revealed a successful approach to public management improvements to both host countries and donor agencies as well as significant results in mobilizing subsequent cost-sharing for MDP-sponsored activities. For instance, recommendations of an MDP-supported commission in Uganda led to the reduction in the total number of Government ministries from 32 to 21. Moreover, in the first three years of programme implementation, and with the full support of the Office of the President the size of the civil service was reduced by 47 per cent, which allowed for an increase in the level of salaries by approximately 50 per cent in the newly streamlined civil service. Furthermore, subsequent additional funding for Ugandan civil service reform from the International Development Association (IDA), the Overseas Development Administration (ODA) of the United Kingdom, the European Union and the Danish International Development Agency (DANIDA) amounted to over nine times the original MDP contribution.

144. Other special and/or new activities. Several activities have led to important achievements under this category. The publication of the Human Development Report 1994 contributed significantly to the global dialogue in preparation for WSSD. This year, the Special Plan for Economic Assistance to Central America has continued to facilitate the peace process in the region through consensus-building at various levels, capacity-building of national and regional integration and efforts to support reintegration of refugees, returnees and displaced persons. By 1994, the Special Plan had effectively mobilized over $135 million in third-party cost-sharing resources towards these efforts. Assistance was also provided to civil society organizations (CSOs)/NGOs for activities undertaken to address the WSSD agenda at the national, regional and global level though the organization of public hearings, NGO workshops and government-NGO dialogue at the country level. In response to an intensified demand from recipient countries, the African Capacity-Building Initiative (ACBI) in 1994 supported 22 initiatives in 15 countries which target strengthening the national and regional capacities to formulate and manage national economic programmes and policies through: in-service training programmes; support to 26 national training institutions; and support to country capacity assessments conducted through independent development agencies and academic institutions. The HIV/AIDS and Development Programme has helped to stimulate a greater understanding of the socio-economic aspects of the epidemic through initiatives that include support to the First Conference of the Network of African People Living with HIV/AIDS, bringing together people from 13 African countries. This was followed by regional consultations with the Global Network of People Living with HIV/AIDS to strengthen the capacity of organizations of and for those affected to document, assess and share their experiences in responding to the epidemic. Support was also made available through a partnership programme with NGOs/community-based organizations (CBOs) and other development partners in Bangladesh, Djibouti, India, Mexico, Nigeria and Senegal to strengthen their capacity to monitor, document, evaluate and enhance programme design and implementation of innovative community-based responses to the epidemic.

145. Aid coordination. The objectives under this category are to support efforts aimed at advancing more effective programming and to assist in the

preparation of donor consultation meetings. Activities approved were consistent with these objectives and supported round-table and aid coordination initiatives in 36 countries in all regions. In 1994, the design of projects incorporated lessons learned, including the need to: emphasize greater focus on capacity-building and continuous support and follow-up to the aid coordination process; link technical cooperation and capacity-building assessments with programme development; and ensure greater reliance on national consultants and resources in carrying out these activities. For instance, round-table meetings in the Gambia effectively mobilized $400 million for a multisectoral programme for poverty alleviation while in Indonesia, Mongolia, Pakistan, Sri Lanka and Viet Nam renewed efforts in Consultative Group meetings have resulted in the preparations of substantive multisectoral statements on technical cooperation and capacity-building.

146. Programme development. The objective of this category is to strengthen UNDP capacity to develop and implement effective and qualitative cooperation programmes. Two subcategories under this area targeted innovative sustainable human development initiatives and programme evaluation. Following the earmarking of SPR funds by the Executive Board for the further promotion of and assist in the operationalization of SHD through country-level initiatives, support has been provided to stimulate activities that advance SHD in all developing regions through the building of indigenous capacities to design and develop situation analysis databases against which to measure progress towards SHD in conjunction with support to the preparations of national human development reports. In addition, upstream advocacy initiatives have been pursued through forums that encourage building broad national dialogue through the participation of governments, organizations of civil society and other development actors in debates on SHD. In Egypt, Guinea and Zimbabwe, pilot evaluation exercises have been supported to review the streamlining of aid coordination mechanisms such as national technical cooperation assessment and programmes (NATCAPs), round-table and Consultative Group meetings concurrently with the assessment of the efficiency, effectiveness, relevance and impact of the UNDP programme approach and national execution modalities.

IV. FUNDS ADMINISTERED BY THE UNITED NATIONS DEVELOPMENT PROGRAMME

A. United Nations Capital Development Fund

147. In 1994, the United Nations Capital Development Fund (UNCDF) continued to develop a new approach to programming launched in 1993, aimed at poverty alleviation at the local or community levels. The new programmes are designed to respond to local needs as articulated by local groups, whether community organizations or local government bodies. Trends in the least developed countries towards decentralization, democratization and the devolution of resource management have made strengthened partnerships possible at the grass-roots level, particularly among the rural poor, where UNCDF has traditionally targeted its interventions. Responding to the opportunity to rationalize its activities, and mindful of the need to maximize impact, the Fund has embarked on an area-based strategy that combines strengths in the provision of social and economic infrastructure and credit with lessons learned through its 27 years of

experience. Chief among these lessons is that the maintenance of investments, especially in remote areas, is related to a local sense of ownership and control. Current programmes, appraised and given final approval at the project level, typically comprise one or more infrastructure projects, credit for agriculture and/or small entrepreneurs and local development funds. The local development funds are managed to the degree possible at the local level and involve the community in prioritizing, implementing and managing micro-scale infrastructure projects. In this way, they help to foster sustainability and strengthen local management capacity.

148. Building capacity at the local level is essential for the successful management of local development funds. In the longer-term, with experience gained at the micro-project level, local authorities should be ready and able to take on increased responsibility for larger projects. With this in mind, UNCDF has pursued contacts with national and international networks of local governments, chief among them the International Union of Local Authorities (IULA) and a French NGO Cités Unies Développement (CUD), each able to provide the relevant expertise for running local government. A member of IULA, the Association of Dutch Municipalities (VNG), has already participated in joint programming missions in Viet Nam and Zambia, and committed its services in support of a UNCDF local development fund project in the Eastern Province of Zambia. The UNCDF project feeds directly into a UNDP capacity-building programme. Since these funds represent a new field for UNCDF, they are being closely monitored from the outset to ensure that design lessons are shared and fed back rapidly into operations. Six case studies are under way to provide documentation and analysis of field realities from cross-regional, policy and design perspectives. In 1994, projects valued at approximately $33.7 million were approved, and community development programmes have been elaborated for Ethiopia, the United Republic of Tanzania and Zambia.

149. Work in eco-development continues, combining the new programme approach with environment-oriented activities within the context of general economic growth. People, Power and Ecology: Towards participatory eco-development, the English translation of the lessons drawn from the UNCDF thematic review on participatory eco-development was published during 1994. Programmes are ongoing in Guinea, Madagascar, Mali, Mauritania, Niger and Laos.

150. Women benefit from UNCDF projects, whether large infrastructure, local development funds or credit. In 1994, 60 per cent of approved projects, valued at $20.9 million, addressed the problems of women. Among these projects: water supply in Lesotho and Nicaragua; local development funds in Madagascar, the Occupied Palestinian Territories, Uganda and Zambia; a credit project in Malawi.

151. Two UNCDF infrastructure projects attracted considerable attention in 1994. A bridge in Quilali, Nicaragua, now spans the Jicaro River, allowing residents easy access to schools, markets, and medical facilities for the first time in their history. Known as the "bridge of peace", labour-intensive construction was undertaken by a team made up of rival political partisans whose cooperation on the project has led to increased understanding. In Bolivia, an alpaca processing plant has opened for business, managed by a local cooperative NGO, with foreign markets in place and orders already on the books. In Viet Nam, a

model new programme that introduces modern management practices continues to enjoy a record of rapid delivery and cost savings.

152. With respect to evaluation, UNCDF is strengthening its capacity to carry out socio-economic impact assessment. Standard terms of reference for the production of baseline studies and establishment of key performance indicators were elaborated for irrigation, road transport, water supply and agricultural projects.

B. United Nations Sudano-Sahelian Office

153. The United Nations Sudano-Sahelian Office (UNSO), which specializes in desertification control and dryland management activities, was designated in 1994 as the central entity within UNDP responsible for spearheading and supporting UNDP work in desertification control and dryland management in all affected programme countries. During the past year, UNSO actively supported the successful negotiation of the International Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, which has been signed by over 90 countries in recognition of desertification as a problem of global dimension. UNSO/UNDP facilitated the work of the Sudano-Sahelian countries under the auspices of subregional organizations, the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS) and the Inter-Governmental Authority for Drought and Development (IGADD), and assisted them substantively and logistically. In addition, UNSO supported the OAU ad hoc group of experts in their negotiations. The success of the negotiation of the Convention is due to the ability of the African nations to articulate a common, detailed position on the means and processes for the national action programmes, which are the building blocks of the Convention. UNSO/UNDP served as an advocate within the African group for some of the key tenets of the Convention: the partnership arrangements to ensure implementation at national level; a participatory approach; and the integrative, iterative process for developing national programmes.

154. In addition to supporting the Convention process, UNSO continued assisting the 23 Sudano-Sahelian countries in: (a) environmental information systems; (b) drought preparedness and mitigation; (c) strategic framework processes; and (d) local-level natural resource management. UNSO has also begun to sharpen its focus on upstream issues and global coverage while ensuring better articulation of technical advisory services to UNDP country offices in affected countries and better coordination with other UNDP units.

155. Concerning the participatory approach, a case study published in 1994 describes UNSO experience with the methodologies of land-use and land-tenure management (gestion des terroirs) and participatory rural appraisal (Méthode active de recherche et planification participative (MARP)). The gestion des terroirs approach is a participatory and integrated method of rural resources management with the objectives of increasing the welfare of communities. The integration of the MARP approach has further strengthened local populations in defining their problems and identifying solutions. At the regional level, three workshops were organized on how to enhance people's participation and involvement in their own development. This participatory process could be

crucial to providing a link between local and national and regional development plans foreseen by the Convention.

156. To enhance coordination between development partners, UNSO continued organizing harmonization meetings involving the United Nations Environment Programme (UNEP), the World Bank, the African Development Bank (AfDB), the Food and Agriculture Organization of the United Nations (FAO), the World Conservation Union (IUC), the International Fund for Agricultural Development (IFAD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Meteorological Organization (WMO) and the Intergovernmental Negotiating Committee on Drought and Desertification (INCD) interim secretariat to attempt greater harmonization of natural resources management initiatives in programme countries.

157. During 1994, UNSO/UNDP and UNEP issued both a joint declaration and a joint statement announcing their determination to bring their collaboration to a new level in order to promote joint catalytic support to the Convention, building on and strengthening the UNSO-UNDP/UNEP joint venture to include all countries affected by desertification.

C. United Nations Development Fund for Women

158. The United Nations Development Fund for Women (UNIFEM) is the United Nations system lead agency for addressing the issues of women in development and championing the rights of women worldwide. Initially created to foster the economic empowerment of women in the developing world by improving their access to credit, productive resources, training and opportunities for income-generation, the Fund's scope of work over the last two decades has expanded to include the promotion of women's social and political empowerment. The reconceptualization of human rights to include women's rights and the strengthening of civil society, for example, are two areas in which UNIFEM has broken new ground.

159. The Fund's expertise in women-in-development issues and strong links to the international women's movement positioned it well to play an active role in the preparations for the forthcoming Fourth World Conference on Women to be held in Beijing. In addition to its regular programming work, UNIFEM launched an umbrella project that funds more than 90 Conference-related initiatives at the national, regional and global levels. Some of these activities included support to the preparation of national reports in 30 countries, including Argentina, Bahamas, Belize, the countries of Central America, Jamaica, Laos, Mexico, Nigeria, Pakistan, Senegal, Zimbabwe, and nine nations of Western Asia. Throughout the developing world, UNIFEM sponsored public education efforts, including five radio programmes produced in Senegal about the Beijing process that were broadcast in over 54 francophone countries, and two regional initiatives by NGOs to formulate strategies in Latin America. In all five regional preparatory meetings for the Conference, UNIFEM played a major role in giving visibility to women's concerns by sponsoring "peace tents" and panels on issues such as indigenous women, violence against women and alternative models of development.

160. To build upon the priorities set out by women during this regional process, UNIFEM began to formulate a new vision of economic and political development: the Women's Development Agenda for the 21st Century. This new development paradigm includes the following key challenges: creating a development process that benefits women directly; understanding what women need to maintain sustainable livelihoods; building stable lives and healthy communities; and protecting women in situations of conflict and violence.

D. United Nations Volunteers

161. During the year under review, 3,429 United Nations Volunteers (UNV) specialists and field workers originating from 130 countries served in 140 countries. Their main activities of involvement were in such thematic areas as agriculture, health, education and vocational training, development policy and planning as well as peace-building, democratization and community-based activities.

Peace-building/democratization

162. South Africa. In April 1994, 200 UNV electoral observers were fielded to serve with the United Nations Observer Mission in South Africa (UNOMSA). Deployed at the provincial level, the UNV observers were responsible for conducting surveys, identifying and establishing polling stations, observing party rallies, monitoring the election process and the transportation and security of electoral materials.

163. Mozambique. A total of 161 UNV specialists were recruited to assist in the election process in Mozambique. Activities included the verification of electoral processes, participation in the electoral education campaign and monitoring of the elections themselves.

164. Guatemala. In support of the MINUGUA operation, 68 UNV human rights monitors/legal advisers were fielded in December 1994. Working within regional and subregional offices, the UNV human rights monitors are responsible for observing and monitoring the human rights situation, including political meetings, and the strengthening of human rights protection mechanisms at the local level. The UNV legal advisers will address legal aspects of human rights verification and assist in ensuring that, at the local level, investigations are carried out autonomously and in accordance with the Constitution of Guatemala and international norms.

165. Somalia. Under a Memorandum of Understanding between the United Nations and UNV, 130 UNV specialists served under UNOSOM to support the UNOSOM II operation in Somalia working with the UNOSOM Divisions for Humanitarian Assistance, Justice, Demobilization/Demining, Policy and Planning and Administration.

166. Preparations for the fourth World Conference on Women. UNV has endeavoured to make a contribution at different levels. At the regional level, UNV specialists were placed in the secretariat of the United Nations Economic Commission for Africa (ECA) and in the secretariat of the United Nations

Economic and Social Commission for Asia and the Pacific (ESCAP) to assist in strengthening the capacities of the structures responsible for coordinating and preparing the regional preparatory conferences. In ECA, UNV specialists are contributing to promotion and publicity activities and to the preparations of technical papers and reports. At ESCAP, the UNV specialists have assisted in the preparations for the regional conference by providing information and promotional skills, liaising with NGOs and assisting in the preparation of technical papers and reports. In addition, UNV has communicated some of its findings related to civil society and public life and governance in Central and Eastern Europe and the economies in transition, as input to the regional preparations of the Economic Commission for Europe (ECE).

167. At the national level, international UNV specialists working together with national UNV specialists provided support to selected LDCs within the framework of projects funded through the UNV Special Voluntary Fund (SVF). These projects have been designed with a two-fold objective: to assist in preparing national reports for the Conference and to create a sustainable and irreversible process of change through strengthening national machineries and optimizing community-level voices, while seeking entry points at the macro policy and programming levels. The SVF seed funding has also attracted several other funding sources and brought together development partners in support of the establishment of a women's NGO coalition in Botswana, towards its preparations for the Conference and future programmes.

168. HIV/AIDS. Within the framework of the UNDP-funded and UNV-executed project ZAM/91/003, the objective of which is to develop community-oriented approaches to prevention, care and support of people living with and affected by HIV/AIDS, UNV specialists significantly contributed to the achievement of the following results in three broad areas during 1994 in Zambia:

(a) Home-based care activities, which addressed the training of 21 health workers at hospitals and district health clinics in counselling, home-care management and clinical support through organized seminars and workshops;

(b) Information, education and communication activities, which disseminated information as widely as possible to appropriate target audiences both within the community and elsewhere, using popular modes of communication;

(c) Community development initiatives, through which two communities were mobilized into income-generating activities and appropriate skills training were provided to help communities to engage in development programmes such as block moulding, digging wells, construction of latrines, etc.

169. Food security. Regional project OIT/RAF/90/M05/NOR is in the third phase of a programme aimed at ensuring food security through support to community-based organizations and in particular cooperatives. The programme is funded principally through a multi-bi arrangement with Norway as principal donor and the International Labour Organization (ILO) as executing agency. This multidimensional project incorporates a variety of activities, including community participation, literacy, management training and a focus on marginalized communities, all of which contribute to a sustainable livelihoods approach. Women are the principal beneficiaries of the programme.

170. During the year, 13 UNV specialists served under the programme, which is operational in Burkina Faso, Mali, Niger and Senegal. They worked at the field level, providing vital support to community organizations in areas linked to administration, literacy, improved farm production methods, and off-farm activities. These volunteers proved they were committed and effective agents in implementing a participatory approach at the community level.

171. The programme has had a recognized socio-economic impact that has been illustrated through a number of in-depth evaluations, the most recent one having been carried out at the end of 1994. On the basis of this evaluation, programming has entered a further phase.

E. Global Environment Facility

172. UNDP work in the Global Environment Facility (GEF) focuses on four thematic areas: mitigating climate change; conserving biodiversity; protecting international waters; and protecting the ozone layer (and land degradation as it pertains to the former two areas). As of December 1994, the pilot-phase portfolio in the GEF consisted of 55 technical cooperation projects and 28 pre-investment feasibility studies that address these thematic areas. Including the $13 million allocated to the 33-country Small Grants Programme (for which 410 projects became fully operational in 1994), the UNDP pilot phase allocation totalled $278 million. Furthermore, late in 1994, an additional nine UNDP projects were approved for the restructured GEF by the GEF Operational Committee, totalling $8.31 million. In 1994, pilot-phase project disbursements reached $92.3 million.

173. In the area of public outreach and communications in 1994, UNDP-GEF published and distributed to its world-wide constituency two issues of its newsletter, "Partners", as well as 17 project documents. In an effort to keep partner United Nations specialized agencies fully updated on the GEF, UNDP convened a special workshop in November to introduce them to the restructured GEF. Also in 1994, UNDP took the lead in the GEF to develop a three-day workshop on project development and programming to enable countries to identify, design and implement successful GEF projects. The World Bank and UNEP joined UNDP this year to co-sponsor this important initiative.

174. In 1994, UNDP-GEF co-sponsored nine technical regional workshops and briefings to enhance its ability to deliver high-quality projects and to disseminate lessons learned from projects. In addition, UNDP and the Government of France co-sponsored an international workshop in September entitled: "Implementation of Decentralized Rural Electrification Programmes Within A Sustainable Development Perspective" which identified viable low carbon paths to economic and social development that can be supported by the GEF. In December, UNDP collaborated with the Inter-American Development Bank, and a range of Governments and NGOs to explore the feasibility of joint implementation through a workshop entitled "Designing Joint Project Mechanisms to Promote Benefits for Developing Countries".

175. UNDP-GEF worked in 1994 to support the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change by assisting

countries to develop enabling activity projects designed to help them to fulfil their obligations under the Conventions. UNDP will continue to play a lead role in these activities in 1995 and beyond.

F. Montreal Protocol

176. As of 31 December 1994, UNDP was assisting 31 countries in their efforts to phase out ozone-depleting substances (ODS) under the Protocol, which is charged with protecting the global ozone layer. UNDP assistance has been utilized by recipient countries for national country programme formulation, technical cooperation and technical training, demonstration projects, national capacity-building and institutional-strengthening projects, and technology-transfer investment projects. UNDP staff and international experts, working with national consultants, help Governments and industry to design, implement, monitor and evaluate ODS phase-out projects and programmes in the following sectors: aerosol, foam, solvent, refrigeration and halon used in fire extinguishers.

177. During 1991-1993, a cumulative UNDP programme of $23.04 million was approved by the Executive Committee of the Multilateral Fund of the Protocol; in 1994 alone, an additional $56.56 million was approved in UNDP work programmes, thus demonstrating the increasing importance of this issue as well as government and industry confidence in the speed of UNDP project implementation. By the end of 1994, the UNDP cumulative work programme under the Protocol was $79.61 million, comprising 283 projects that will eliminate 8,521 tonnes of ODS per year by the end of 1996.

178. The regional shares of the 1991-1994 cumulative programme are: Africa and the Middle East (16 per cent); Asia and the Pacific (50 per cent); Latin America and the Caribbean (31 per cent); and regional and global programmes (3 per cent). The foams and refrigeration sectors together account for almost four fifths of the total UNDP programme.

179. There has been a shift in the assistance requested from and provided through UNDP. During 1991-1993, the major focus was on country programme preparation, technical cooperation and technical training, which together accounted for over half of the UNDP work programme. However, following government and industry requests, technology-transfer investment projects accounted for seven eighths of UNDP approved activities in 1994. This also follows Executive Committee guidelines that UNDP, the United Nations Industrial Development Organization (UNIDO) and the World Bank should concentrate on such projects, with data and information dissemination and technical training being allocated to UNEP.

180. UNDP has disbursed $17.3 million to date, has assisted Governments to finalize and get approval for 11 country programmes, and has completed 49 technical cooperation/training and demonstration projects and workshops. Eight investment projects already completed have eliminated 427 tonnes of ODS.

181. UNDP also has institutional-strengthening projects ongoing in 19 countries. The aim of the projects is to strengthen national capacity-building to enable

the countries to meet the provisions of the protocol. In addition to providing Governments with a focal unit for the supervision of ozone-layer projects and programmes, they facilitate public awareness and data-gathering and at the same time foster coordination and cooperation between the public and private sectors, which are essential if the country is to meet its stated ODS- phase-out objectives. A total of $5.3 million is being expended on these projects.

182. All activities are managed by the Montreal Protocol Unit (MPU), which is part of the Energy and Atmosphere Programme (EAP) within the Sustainable Energy and Environment Division of BPPS.

G. Capacity 21

183. Capacity 21 was launched at the United Nations Conference on Environment and Development (UNCED) to be the main post-UNCED international effort to implement Agenda 21 and to assist countries to achieve sustainable development. Capacity 21 promotes: new approaches to development; ownership of programmes by all stakeholders; responsiveness to national priorities; consensus-building within countries, and participation of all partners, including United Nations specialized agencies and contributors. Capacity 21 saw its first full year of operation in 1994. During the year it developed the processes and procedures needed to help UNDP country officer in their task of supporting the development of national approaches to sustainable development. Programmes were initiated in all regions in which UNDP operates, and at the end of the year there was a solid portfolio of national programmes either in operation or at advanced stages of preparation. At the end of 1994, the Capacity 21 Trust Fund had received pledges worth $43.1 million. The following are a few examples of national activities supported by Capacity 21.

184. China. Through Capacity 21, UNDP supported China in the preparation of its national Agenda 21. The process took over a year of intensive debate and planning by experts representing all China's development sectors as well as representatives from academic institutions, people's organizations and the media. The final strategy contains specific measures for the sustainable development of China's economy, society, resources and environment, and specific proposals for investment to meet the Agenda 21 objectives.

185. Honduras. Capacity 21 is helping indigenous peoples in Honduras to build a legal framework and consolidate ethnic settlements in ecologically fragile zones. It will help Honduras to develop a plan for integrated resource management that combines elements of traditional and modern management systems.

186. Mozambique. After more than a decade of war, the first democratic elections were held in 1994. A Capacity 21 programme was designed to help Mozambique to address its urgent need for trained and effective people working in the area of sustainable development. Training will be provided at the national, provincial, district and community levels. The training will pave the way for the integration of sustainable development policies in the planning process and will increase NGO involvement and public awareness.

187. Malawi. Capacity 21 is complementing the country's strong poverty alleviation programme by strengthening community-level involvement in the implementation of the national environmental action plan. This will ensure that sustainable development will become a guiding principle in the overall development process. The entire process in Malawi supports the Government's policy of decentralization and will enable new management structure to be built at district level.

188. Viet Nam. Capacity 21 is helping to strengthen national capacities to integrate sustainable development concerns into development and investment planning as the country moves from a centrally planned economy towards a market-oriented, mixed economy.

189. The Capacity 21 approach includes helping people to gain access to and to use information. The Sustainable Development Networking Programme (SDNP) helps to create country-wide networks to provide information support to development activities. UNCED identified the vital role that information plays in development, and the SDNP is an important means of helping to implement Agenda 21. SDNP emphasizes the full and early participation of stakeholders in setting up networks, and by the end of 1994 was supporting activities in 16 countries. An independent review of the SDNP during 1994 supported the current programme and recommended its continuance and expansion. The SDNP is fully integrated into other Capacity 21 activities, allowing the creation of broad capacity-building programmes within which the flow of information is enabled to play its vital role.

190. Between mid-1992 and the end of 1994, 107 training workshops on environmental management guidelines were conducted by UNDP involving 111 countries and 2,800 participants. This training is one of the most extensive international training programmes ever executed by UNDP.

191. The programme was evaluated at the end of 1994 with the evaluators noting: (a) the basic approach of producing environmental overviews for projects and programmes as per the environmental management guidelines should be retained by UNDP; (b) the training not only indicated the potential for impact on the formulation of UNDP programmes but also built overall in-country capacity for environmental assessment; (c) UNDP must still find ways to ensure that the environmental management guidelines methodology is effectively integrated into policies and procedures; and, (d) a comprehensive follow-up training strategy needs to be established to build on the newly created base of knowledge.

V. OTHER MAJOR FUNDS AND PROGRAMMES

A. Technical cooperation among developing countries

192. During 1994, the Special Unit for TCDC has sought to promote a more strategic orientation in respect of its work by focusing the TCDC Special Programme Resources (SPR) programme on high-impact activities at both the regional and interregional level. For example, in collaboration with the Regional Bureau for Africa and the Regional Bureau for Asia and the Pacific, the Special Unit provided effective support for and participated actively in the

Asia-Africa Forum held in Bandung, Indonesia, in December 1994, which identified substantive areas for promoting the exchange of expertise and experiences among African and ASEAN countries. In addition, the Special Unit has sought to identify initiatives at the regional level designed to strengthen economic cooperation both within existing integration arrangements as well as outside the framework of such arrangements.

193. In general, the revised TCDC strategy seeks to locate TCDC within the framework of broad programmes of economic cooperation among developing countries (ECDC) such as the Caracas Programme of Action, in order to ensure that it makes an optimal contribution to sustainable human development. In the context of the preparation for the World Summit on Social Development, the Fourth World Conference on Women and Habitat II, the Special Unit supported a number of initiatives aimed at promoting an exchange of expertise and experiences among developing countries. In 1994, the Special Unit agreed to cooperate closely with the Bureau for Policy and Programme Support in bringing together countries in different regions with a view to exchanging experiences on innovative approaches to urban management that can find practical application in other developing countries. Similarly, the Unit has agreed to fund a study of alternative approaches to economic policy reform aimed at obviating the adverse social impact on women associated with conventional adjustment programmes. The study, which is being carried out in collaboration with the Gender-in-Development Programme and UNIFEM, will form an important input in the Fourth World Conference on Women. The Special Unit has also strengthened UNDP relations with Governments and the United Nations specialized agencies in the promotion of a dynamic TCDC programme and has laid the groundwork to collaborate more effectively with the regional bureaux on substantive issues in order to ensure the systematic integration of TCDC into IPF-funded programmes and projects.

194. The activities funded from the SPR allocation for TCDC carried out in 1994 fall into four subprogrammes: (a) sensitization and information on the TCDC modality; (b) capacities and needs matching exercises and subject-specific workshops; (c) studies and evaluation; and (d) capacities enhancement for the application of TCDC.

195. Activities within the subprogramme of capacities and needs matching and subject-specific workshops focused on sectors in support of SHD. Workshops were held in Bangladesh (credit and poverty alleviation); Myanmar (coastal and inland fisheries/aquaculture); Nigeria (agriculture and rural development); and Zimbabwe (mining). Each of these exercises resulted in an average of over 200 bilateral agreements for technical cooperation between participating developing countries.

196. Subject-specific workshops were held in all of the regions and focused on interactive exchanges and consultations designed to share experiences and know-how that will result in the replication of applicable technologies and approaches in an increased number of developing countries. These workshops have had a catalytic effect in mobilizing resources in the developing countries for the implementation of activities in the various areas identified.

197. The sensitization and information subprogramme concentrated on the development of the TCDC-INRES data bank on developing country institutional capacities, by refining the information in the data base and facilitating easier access to the information by potential users through the development and distribution of the INRES-LITE software package to potential users in Governments, UNDP country offices, United Nations specialized agencies, United Nations Economic Commissions and some NGOs.

198. Activities falling under the two other subprogrammes - Studies and Evaluations and Capacity Enhancement for the Sustainable Application of TCDC - targeted priority development sectors, including the strengthening of institutional capacities for education through interuniversity cooperation in research; studies on African food production and processing technologies for commercialization; consultations and study for the preparation of a policy-oriented framework to improve the socio-economic conditions of women; and support for the preparation of a programme for improved health practices. The support provided under the subprogrammes further strengthened networking and twinning arrangements and promoted linkages between centres of excellence in the developing countries.

199. In keeping with its mandate to promote TCDC, the Special Unit has been designated to coordinate the follow-up by UNDP of the implementation of the Programme of Action adopted by the Global Conference on the Sustainable Development of Small Island Developing States held in Barbados in April/May 1994 and is also required to carry forward the implementation of the small island developing States technical assistance programme.

200. The collective impact of the four subprogrammes has expanded use of the TCDC modality through selected, strategic interventions that have resulted in the generation of additional resources and the replication of know-how and technology many times the cost of the SPR inputs that generated them. Capacities and needs-matching exercises have not only stimulated follow-up investment but have also served to strengthen the negotiation and project formulation skills of the participating countries. Similarly, workshops and other forms of support for TCDC have supported the objectives of south-south cooperation consistent with Economic and Social Council resolution 1992/41, in which the Council calls on all parties in the development effort to give the TCDC option "first consideration" in technical cooperation activities. Several of the workshops are expected to have widespread impact in the future for the greater development of self-reliance in the developing countries.

B. Humanitarian assistance

201. Throughout 1994, UNDP has been an active participant in inter-agency operational reviews and policy formulation utilizing the Inter-Agency Standing Committee (IASC) and other collaborative working groups. During the latter part of the year, a joint working group between UNDP and the Office of the United Nations High Commissioner for Refugees (UNHCR) was established to strengthen operational cooperation at the country level through enhanced subregional planning and the development of collaborative programme activities. UNDP now also actively participates in the joint review and analysis of country

conditions with the United Nations Departments of Peace-keeping Operations, Political Affairs and Humanitarian Affairs. Improvements in the functioning of the United Nations Disaster Management Teams (UNDMTs) under the leadership of the resident coordinator have significantly improved operational coordination in volatile and crisis situations and have contributed to strengthening United Nations system and NGO cooperation in planning and implementing assistance to affected States.

202. Organization-wide consultations, including the global meeting of resident representatives and the comprehensive study entitled "UNDP in Conflict and Disasters: An Overview Report of the Continuum Project" completed during 1994, have resulted in recommendations for specific responsibilities and actions to be taken by UNDP to further develop and streamline its prominent role throughout the continuum.

203. A significant increase in programme activities funded by SPR resources allocated to the Disaster mitigation category were catalytic to the implementation of a wide range of project activities in disaster-preparedness and all phases of the relief-to-development continuum. The overall quality of projects submitted for approval was a significant improvement over previous years, reflecting an increased commitment of national authorities and broad-based collaboration of United Nations organizations and NGOs. Also during the year, a number of comprehensive project formulation activities were initiated to support the transition from relief to reconstruction, rehabilitation and resettlement in countries emerging from and directly affected by conditions of complex emergency. Implementation of these activities is expected to mark a significant contribution to United Nations collaborative efforts in these countries throughout 1995.

204. Through 23 national and subregional workshops, the Disaster Management Programme established a framework for disaster-preparedness and management at the country level, marking an increase in programme delivery of 50 per cent over the previous year. In addition, two special regional workshops/consultations were held for resident coordinators and representatives of United Nations specialized agencies, resulting in practical recommendations for improved coordination and management within the relief-to-development continuum with particular attention to the needs of countries facing situations of complex emergency. An in-depth evaluation of the Programme since its inception was conducted during the latter part of the year and provided a solid foundation for further development and adaptation of the programme as an inter-agency undertaking. On this basis, steps will be taken to improve its effectiveness in strengthening in-country coordination of United Nations system activities and in building national disaster mitigation and management capacities in volatile environments.

C. Inter-Agency Procurement Services Office

205. The standardization of common-user items continued in 1994, and, in addition to field motor vehicles and motor cycles, was extended to include office equipment and power generators. The objective of the standardization programme is to reduce the variety of makes and models, improve delivery terms

and achieve economy of scale through international competitive bidding for open-ended contracts, based on the estimated annual procurement of the United Nations system. Inter-Agency Procurement Services Office (IAPSO) started developing environmental specifications for common-user items and has spearheaded the "green office" concept. Direct savings system-wide of standardization are estimated at $20 million on some 8,000 purchase orders and additional benefits accrue thanks to simplified administration and more transparent procedures. Catalogues containing technical and price details for common-user items are regularly updated and disseminated; an innovation for the computer catalogue is the section on technical selection criteria, intended to assist country offices to pursue office automation with due regard to technology developments, suitability to working environment and reliability. Direct procurement services were provided to the international aid community and country offices and a total of over 2,200 purchase orders were processed by IAPSO for a value of $48.3 million, an increase of 9.5 per cent over the previous year.

206. In connection with opening of new United Nations offices in countries of the former Soviet Union, IAPSO developed modular office start-up packages, covering furniture, office equipment, supplies, etc.; goods were tendered internationally. Thirteen new offices were established using the start-up packages, with estimated savings accruing to UNDP of over $500,000. Despite political unrest and civil strife, consolidated shipments contributed to the timely and effective installation of United Nations operations in new offices. The Joint Consultative Group on Policy (JCGP) adopted the concept developed by IAPSO as standard for United Nations System Common Premises (UNSCP). Using this concept, IAPSO procured standard office modules for four African country offices and the new UNDP and World Food Programme (WFP) premises in Geneva.

207. Over the past several years, IAPSO has assisted the United Nations system on insurance matters and on behalf of the United Nations system has negotiated life and medical insurance schemes in respect of (a) experts and consultants and (b) fellows, trainees, participants in study tours and conferences as well as national professional project personnel, the latter being an addition for 1994. These schemes, which are widely used by agencies and country offices, provided adequate coverage to the many personnel categories and protected the United Nations from compensation claims in case of service-related death, disability or illness. In 1994, insurance coverage was provided at very competitive rates to more than 9,000 experts and consultants under the first scheme and to 7,000 people under the second scheme.

208. IAPSO serves as a coordinating office for the United Nations system on procurement matters and as a business information centre for suppliers of goods and services. It is estimated that direct advisory services were provided to some 4,500 companies and organizations and that indirectly some 30,000 companies worldwide received information on the United Nations as a market. In addition to advisory services to individual companies, IAPSO participated in information seminars and disseminated information on market opportunities through "Procurement Update" and "Development Business" and published the annual edition of the "General Business Guide" in English, French and Spanish. From the middle of the year "Procurement Update" was published electronically for direct access of individual users. These activities aim at expanding the geographical

distribution of United Nations contracts, especially in developing and underutilized major donor countries.

209. To promote procurement from developing countries, IAPSO cooperated with more than 250 national focal points such as trade promotion offices and chambers of commerce that have direct contacts with the local business community. In addition, IAPSO supported technical cooperation projects to identify new suppliers and country-specific catalogues were published or are under preparation for Egypt, the Republic of Korea, and Singapore. Additional projects are under negotiation in Asia and Latin America. Cooperation was initiated with country offices to identify new suppliers and IAPSO provided necessary software for eventual registration of such supply sources in the common vendor database.

210. As mandated by the Executive Board and the General Assembly, IAPSO devoted special attention to promoting procurement from under-utilized major donor countries, providing market information and advisory services, hosting company visits and participating in business seminars. In this respect, the project management officer of the United Nations Office for Project Services (UNOPS), responsible for Nordic consultancy funds, outposted to IAPSO, is an effective complement to IAPSO's own activities. Special initiatives supported by IAPSO were the multi-plan initiative to expand Norwegian participation in the multilateral markets, the Swedish investigation on return flows and a supplier fair held in June 1994 in Copenhagen, in close cooperation with UNICEF and the Swedish Trade Council. Information seminars were undertaken in Denmark, Finland, Norway and Sweden with, inter alia, UNICEF, UNOPS, UNHCR, WFP and UNIDO. Potential supply sources from these target countries are registered by IAPSO and information circulated to United Nations organizations and country offices for procurement sourcing. Updated catalogues for Denmark, Finland and Norway were published in 1994 and work initiated for the Netherlands and Sweden.

211. IAPSO maintains and updates the United Nations common vendor database in cooperation with the United Nations specialized agencies. In view of expanded responsibilities for procurement by country offices, an updated version of the common vendor database was sent to all offices. Goods and services are classified according to the United Nations Common Coding System (UNCCS), which facilitates retrieval of information. UNCCS has now been adopted by the majority of United Nations organizations and the World Bank. Correlations between UNCCS, the Harmonized System developed by the Custom Corporation Council, the Standard International Trade Classification (SITC) and European Community Procurement Vocabulary have been developed and discussions with the North Atlantic Treaty Organization (NATO) are under way for items in connection with United Nations peace-keeping operations.

212. Relief of emergencies is absorbing an increasing proportion of United Nations system resources. Under the umbrella of the International Decade for Natural Disaster Reduction (IDNDR), specifications for emergency relief items required in the early phases of a disaster have been developed, in cooperation with the United Nations Department of Humanitarian Affairs and other United Nations and non-United Nations humanitarian aid organizations. Pre-qualification of suppliers for telecommunication equipment, housing and shelter items as well as water supply equipment were established through widely

published requests for proposals globally, and IAPSO made special efforts to publicize this initiative in developing and underutilized major donor countries. Information was evaluated and systematized for immediate access through a database for emergency relief items (DIRE), which includes suppliers and stockpiles worldwide, quantities available for immediate delivery and indicative prices. This tool, which will become operational in 1995, will, inter alia, help to strengthen the capacity of country offices to coordinate emergencies. Work on items required by the handicapped in the emergency rehabilitation phase have been included as a special group.

213. Statistical reports were compiled for annual procurement by the United Nations system, including technical cooperation components such as experts, consultants and fellowships for the Executive Board and the Economic and Social Council. Extensive consultations with representatives of specialized United Nations agencies and selected donors were undertaken to establish the relevance of data and a basis for further simplified collection of these data.

214. The strategic location of IAPSO in Denmark, vis-à-vis major Nordic donors has been strengthened through the outposting of a Nordic Information Officer from the Division of Public Affairs. This has assisted IAPSO to develop public relation activities and more that 50 individual articles were published about IAPSO in the Nordic press, contributing to UNDP constituency-building among this important group of UNDP donors. The distribution of UNDP publications was handled from IAPSO and support provided through the in-house printing facility, which, inter alia, produced advanced copies of the Human Development Report 1994 for Nordic launching.

D. Office for Project Services

215. In 1994, priorities for the Office for Project Services (OPS) included the following: (a) launching an internal strategic planning exercise aimed at further streamlining the internal procedures and operations of the Office and thereby enhancing its competitiveness; (b) continuing a pilot exercise in support of decentralizing some of the Office's operations to the developing countries; (c) providing support, with such documentation as was required, for the continued deliberation by the Executive Board on the status of the Office. While these activities proceeded, the Office continued to provide development services to the programme countries, mainly on behalf of UNDP.

216. The total project expenditure in 1994 amounted to $403 million, which is almost identical to the Office's delivery in 1993. However, as regards new projects accepted by OPS during 1994, the total value of all such project budgets amounted only to $314 million (UNDP core funds - $133 million; UNDP and other trust funds - $89 million; Management Service Agreements - $92 million) as compared with the $463 million worth of projects accepted in 1993. The decline was mostly in UNDP core funds and Management Services Agreements (MSAs) and must be considered at least in part due to the uncertainties faced by the Office pending a decision from the Executive Board.

217. In 1994, the Office signed 69 inter-agency agreements valued at $4.5 million. During the year, UNDP and the Office entered into 37 new MSAs:

the resources derived from loans or credits from development banks (World Bank and IADB); the International Fund for Agricultural Development (IFAD) - 22 agreements; and bilateral donors or the recipient Government itself (9 MSAs).

218. In 1994, the Office issued contracts with private, semi-private and public companies and institutions, selected mostly on a competitive basis, awarding 1,044 contracts for a total value of $80.5 million in addition to 115 contract amendments totalling $3 million. Regarding project personnel, the Office recruited 1,976 individual international consultants, 2,364 national professionals, 406 international experts and 2,411 local support staff. Additionally, a total of 5,411 persons benefited from training in the form of individual fellowships (327), study tours (118), participation in conferences (72), or in-country group training (4,894).

219. The total value of supplies and equipment procured in 1994 for projects entrusted to OPS is estimated at $41 million (excluding the Japanese procurement programme), representing a 6.5 per cent decrease compared to 1993. In addition, $86 million worth of goods, an increase of 54 per cent over last year, was procured under the Japanese non-project procurement programme.

UNOPS: A separate and identifiable entity

220. At its annual session 1994, the Executive Board adopted decision 94/12, which included a recommendation to the General Assembly for the Office to become a separate and identifiable entity, in partnership with UNDP and other United Nations operational entities. The Board also endorsed the Secretary-General's recommendation to establish the Management Coordination Committee (MCC) and the Users Advisory Group (UAG).

221. Pursuant to a request from the Executive Board, documentation was also completed, covering the following: (a) a report on ways of establishing the United Nations Office for Project Services (UNOPS) as a separate and identifiable entity; (b) recommendations on the role, composition and functions of the MCC and the UAG; (c) Financial Regulations to govern UNOPS activities; and (d) a report on the scope and objectives of UNOPS. In its decision 94/32, the Board authorized the establishment of UNOPS as of 1 January 1995.

222. In November 1994, the MCC convened for the first time, initiating the process of providing operational guidance and management direction to UNOPS. The Committee is chaired by the Administrator and includes the Under-Secretary-General, Department of Administration and Management and the Under-Secretary-General, Department for Development Support and Management Services. It is expected that the MCC will contribute to maintaining the distinction between funding, coordination, technical support and implementation functions while encouraging coordination between these functions. This should also help to avoid duplication and improve the complementarity of the services provided to programme countries.

223. In this fashion, UNOPS will continue to operate through the network of UNDP offices and rely on UNDP administrative central and decentralized services. The resident coordinators will assume responsibility for the overall coordination of UNOPS operations at the country level.

E. Programme of Assistance to the Palestinian People

224. The Programme of Assistance to the Palestinian People (PAPP) more than doubled its operations in 1994. Most UNDP-supported activities were directed at strengthening newly created Palestinian institutions and at creating employment opportunities in the Occupied Territories. In addition, and in close collaboration with the United Nations Special Coordinator in the Occupied Territories, PAPP is embarking on efforts to increase significantly private and public investment in the area to provide new and sustained employment opportunities as well as to build a base for enhanced trade and export possibilities for Palestinians.

225. Since the Programme's beginning, expenditures have risen from half a million dollars per year to over $25 million in 1994. In recent years, UNDP's own funds and programme activities have been supplemented by contributions from various donors, including Canada, Italy, Japan, the Netherlands, Norway, Tunisia, the United Kingdom and the United States, and organizations such as the Arab Gulf Programme for United Nations Development Organization (AGFUND), and by partnership arrangements with such organizations as UNIFEM and the United Nations Capital Development Fund.

226. Because of its long-standing working relationships with all parties in the area, including Israel and the Palestine Liberation Organization (PLO), PAPP has been able to develop fully transparent and reliable financial mechanisms that can readily and quickly be made available to donors to facilitate development assistance. This assistance is crucial for bringing about the social and economic development upon which peace and stability depend.

227. UNDP also uses its experience to speed emergency development assistance to the Palestinian people, including much-needed infrastructure projects to be implemented within 6-12 months. A recent example is the channelling of $8 million in three weeks for the Gaza Clean-Up Environmental Improvement Project, employing 5,000 previously unemployed individuals. A second phase of this activity, aimed at the employment of 20,000 Palestinians in environmental improvements, was launched in November 1994.

228. UNDP, under the auspices of PAPP, has:

(a) Built sewage collection networks and systems for the Northern Gaza Strip;

(b) Provided Gaza farmers with modern irrigation equipment and methods;

(c) Constructed water supply networks to serve 500,000 people living in urban and rural areas of the West Bank and Gaza;

(d) Provided technical cooperation to the Palestinian Municipalities;

(e) Provided assistance and loans to strengthen industry and commerce;

(f) Constructed cold storage and packing facilities to support vegetable wholesalers and the fishing industry;

(g) Built schools and youth centres in deprived areas;

(h) Promoted the integration of Palestinian women into society;

(i) Trained medical doctors and health personnel throughout the Occupied Territories;

(j) Constructed and equipped health facilities in the West Bank and Gaza;

(k) Established a project on integrated rural development;

(l) Facilitated the formulation of a national task force to address the problem of water resources through the Water Resources Action Programme.